

ORDINANCE NO. 763

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AMENDING ORDINANCE NO. 721 AUTHORIZING THE ISSUANCE OF SURFACE WATER UTILITY REVENUE BONDS.

WHEREAS, the City Council of the City of Shoreline, Washington (the "City") previously adopted Ordinance No. 721 on August 17, 2015 (the "Bond Ordinance") authorizing the issuance of one or more series of surface water utility revenue bonds of the City in the aggregate principal amount of not to exceed \$2,000,000 plus bank fees and closing costs (the "Bonds"); and

WHEREAS, the City now desires to amend Attachment A to the Bond Ordinance to revise provisions related to the debt service reserve account and to amend Exhibit A to Attachment A of the Bond Ordinance to conform the delegation period for the Bonds to the intent expressed in the Agenda Item for Ordinance No. 721 to allow for the potential issuance of debt in 2016, as provided herein;

THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Definitions. All words and phrases not otherwise defined herein shall have the meanings set forth in the Bond Ordinance.

Section 2. Amendment to Definitions. Section 2 ("Definitions") of the Bond Ordinance is hereby amended as follows (deletions are ~~stricken~~, additions are double underlined):

...

(ss) "Reserve Account" means the account of that name created in the Bond Fund ~~for the purpose of securing the payment of the principal of and interest on the Parity Bonds.~~

...

(uu) "Reserve Requirement" is the dollar amount to be calculated with respect to all Parity Bonds secured by the Reserve Account as set forth in the applicable Parity Bond Authorizing Ordinance. "Reserve Requirement" means, as of any date of calculation, (a) the lesser of Maximum Annual Debt Service on the then-Outstanding Parity Bonds secured by the Reserve Account, or 125% of Average Annual Debt Service on the then-Outstanding Parity Bonds secured by the Reserve Account, but at no time shall the Reserve Requirement exceed 10% of the original proceeds of the Parity Bonds secured by the Reserve Account, (b) the dollar amount specified in the Parity Bond Authorizing Ordinance for series of Parity Bonds secured by the Reserve Account, or (c) zero for Parity Bonds not secured by the Reserve Account. The Reserve Requirement may be met by a deposit of cash, Reserve Surety, or any combination of the foregoing, and the amount payable under any Reserve Surety shall be credited against the amount otherwise required to be deposited into the Reserve Account.

...

Section 3. Amendment to Security for the Bonds. Subsection (c) of Section 12 (“Security for the Bonds; Bond Fund”) of the Bond Ordinance is hereby amended as follows (deletions are ~~stricken~~, additions are double underlined):

...

(c) *The Reserve Account; Reserve Requirement.* There has been created by the City a special account known as the Reserve Account for the purpose of securing the payment of the principal of and interest on all Parity Bonds secured by the Reserve Account. Each Parity Bond Authorizing Ordinance shall establish the Reserve Requirement, if any, applicable to that series of Parity Bonds.

The Bonds may be secured by the Reserve Account. If the Bonds are to be secured by the Reserve Account, such designation and the applicable Reserve Requirement shall be set forth in the Bond Purchase Contract. If the Bonds are not to be secured by the Reserve Account, the Reserve Requirement at the time of issuance of the Bonds shall be zero.

The City covenants and agrees that it will at all times maintain in the Reserve Account an amount (including the value of all Reserve Surety deposited therein) equal to the Reserve Requirement, except for withdrawals as authorized in this subsection, until there is a sufficient amount in the Principal and Interest Account and the Reserve Account to pay the principal of and interest on all outstanding Parity Bonds secured by the Reserve Account, at which time the money in the Reserve Account may be used to pay such principal and interest so long as the money remaining on deposit in the Reserve Account is not less than the Reserve Requirement calculated based on the remaining outstanding Parity Bonds secured by the Reserve Account. The Reserve Requirement shall be deemed satisfied by any combination of Parity Bond proceeds, Reserve Surety or other legally available money equal to the Reserve Requirement, or by the deposit of available funds of the City in approximately equal annual installments so that the Reserve Requirement is funded no later than three years after the issuance of any Future Parity Bonds that are secured by the Reserve Account.

If there is a deficiency in the Principal and Interest Account in the Bond Fund to make the next upcoming payment of either principal or interest on Parity Bonds secured by the Reserve Account, that deficiency shall be made up from the Reserve Account by the withdrawal of amounts necessary for that purpose. Any deficiency created in the Reserve Account by reason of any such withdrawal shall then be made up from the next available payments of Net Revenue and ULID Assessments after making necessary provision for the required payments into the Principal and Interest Account.

...

Section 4. Amendment to Exhibit A of Attachment A. Subsection (ii) of Exhibit A to Attachment A (“Description of the Bonds”) of the Bond Ordinance is hereby amended as follows (deletions are ~~stricken~~, additions are double underlined):

...

(ii) **Date or Dates.** Each Bond shall be dated the Issue Date, which date may not be later than December 31, 2016 ~~one year after the effective date of this ordinance.~~

...

Section 5. Ratification. Except as hereby amended, the remaining terms and conditions of the Bond Ordinance 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 6. Effective Date. This ordinance shall be effective five days after its passage, approval, and publication as provided by law.

PASSED BY THE CITY COUNCIL ON NOVEMBER 7, 2016.



Mayor Christopher Roberts

ATTEST:

APPROVED AS TO FORM:


Jessica Simulcik Smith
City Clerk
Pacifica Law Group LLP
Bond Counsel

Date of Publication: November 10, 2016

Effective Date: November 15, 2016