

ORDINANCE NO. 1034

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, AMENDING CITY ORDINANCE NO. 829, AS PREVIOUSLY AMENDED, RELATING TO THE ISSUANCE OF ONE OR MORE SERIES OF LIMITED TAX GENERAL OBLIGATION BOND ANTICIPATION NOTES TO PROVIDE INTERIM FINANCING FOR A PORTION OF THE COSTS OF THE CITY'S PARKS, RECREATION AND OPEN SPACE PLAN AND COSTS OF ISSUING THE NOTES; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, on July 31, 2017, the Shoreline City Council (the "Council") unanimously adopted the 2017-2023 Parks, Recreation and Open Space Plan (the "PROS Plan"); and

WHEREAS, pursuant to Ordinance No. 829 adopted by the City Council on August 6, 2018, as amended by Ordinance No. 864 adopted on June 17, 2019, and as further amended by Ordinance No. 877 adopted on January 13, 2020 (collectively, the "Note Ordinance") and the Continuing Covenant Agreement dated February 14, 2020 (the "Continuing Covenant Agreement") between the City of Shoreline and U.S. Bank Trust Company, National Association, as purchaser of the Note and as successor to U.S. Bank National Association (the "Purchaser"), the City issued its Limited Tax General Obligation Bond Anticipation Note, 2020 (Taxable) in the principal amount of \$25,000,000 (the "2020 Original Note"); and

WHEREAS, proceeds of the 2020 Original Note were used to finance the acquisition of property for park and recreational purposes and to pay other capital expenditures described in the PROS Plan; and

WHEREAS, pursuant to Ordinance No. 962 adopted by the City Council on April 18, 2022, and an amendment to the Continuing Covenant Agreement, the City and the Purchaser agreed to extend the maturity date of the 2020 Original Note, modify the interest rate, and reduce the available principal amount to \$16,600,000; and

WHEREAS, in order to evidence the revised terms, the City delivered a replacement note (the "2022 Replacement Note") to the Purchaser on June 1, 2022; and

WHEREAS, the 2022 Replacement Note is scheduled to mature on June 1, 2025; and

WHEREAS, the City expects to issue limited or unlimited tax general obligation bonds to, together with other available funds, redeem a portion of the outstanding 2022 Replacement Note to provide long term financing for the projects; and

WHEREAS, in anticipation of the issuance of such bonds, the Purchaser has agreed to further extend the maturity date of the 2022 Replacement Note and to modify the interest rate; and

WHEREAS, the City Council now desires to amend the Note Ordinance, as previously amended by Ordinance No. 962, and the Continuing Covenant Agreement, as previously amended, and to provide for such modifications as set forth herein;

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

Section 1. Definitions. Except as otherwise provided herein, definitions used in this Ordinance shall have the meanings set forth in the Note Ordinance.

Section 2. Delivery of 2025 Replacement Note; Amendment to Continuing Covenant Agreement.

(a) *Delivery of 2025 Replacement Note.* To provide for the extension of the maturity date, the modification in the interest rate, and other terms as may be determined by the Designated Representative to be necessary and in the best interest of the City to accomplish the purpose of this ordinance, the City is hereby authorized to authenticate and deliver a replacement Note to the Purchaser substantially in the form attached hereto as Exhibit A (the “2025 Replacement Note”). The date of delivery of the 2025 Replacement Note to the Purchaser (the “Extension Date”) shall occur on or prior to June 1, 2025.

The 2025 Replacement Note 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 Bond Registrar is hereby authorized to authenticate the 2025 Replacement Note on behalf of the City. The City is authorized to pay fees and costs associated with the delivery of the 2025 Replacement Note, including fees of the City’s Municipal Advisor, fees of Purchaser’s counsel, and fees of Bond Counsel to the City.

In case either of the officers who shall have executed the 2025 Replacement Note shall cease to be an officer or officers of the City before the 2025 Replacement Note so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such 2025 Replacement Note 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 2025 Replacement Note may also be signed and attested on behalf of the City by such persons who at the date of the actual execution of the 2025 Replacement Note, are the proper officers of the City, although at the original date of such 2025 Replacement Note any such person shall not have been such officer of the City.

(b) *Delivery of Amendment to Continuing Covenant Agreement.* The City Council authorizes the execution and delivery of an additional amendment to or an amendment and restatement of the Continuing Covenant Agreement in order to accomplish the purpose of this ordinance (the “Amended Agreement”). The Administrative Services Director and the City Manager are authorized to negotiate the terms and form of the Amended Agreement with the Purchaser. The Designated Representative is hereby authorized to execute and deliver such Amended Agreement in connection with the delivery of the 2025 Replacement Note.

Section 3. Amendment to Section 10(e) (Sale of Notes) of Ordinance No. 829, as previously amended by Ordinance Nos. 864, 877, and 962. In order to accomplish the delivery of the 2025 Replacement Note, the following parameters shall apply to the 2025 Replacement Note. Nothing in this Ordinance is intended to amend or otherwise modify the delegated authority as it applies to the 2020 Original Note or the 2022 Replacement Note.

Section 10(e) (Sale of Notes) of Ordinance No. 829, as previously amended by Ordinance Nos. 864., 877, and 962, is hereby amended and restated in its entirety to read as follows:

Section 10. Sale of Notes.

...

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

- (1) the aggregate principal amount (face amount) of all Notes issued pursuant to this ordinance does not exceed \$16,600,000;
- (2) the final maturity date for each series of Notes is no later than June 30, 2028;
- (3) the true interest cost for each series of Notes does not exceed 5.10%;
- (4) the Notes of each series are sold (in the aggregate) at a price not less than 98%; and
- (5) the coupon rate for each maturity of the Notes of each series does not exceed 5.10%.

Subject to the terms and conditions set forth in this section, the Designated Representative is hereby authorized to execute the applicable Sale Document for a series of Notes. Following the execution of the applicable Sale Document, the Designated Representative shall provide a report to the Council describing the final terms of the Notes approved pursuant to the authority delegated in this section.

The authority granted to the Designated Representative by this Section 10 shall expire June 30, 2025. If a Sale Document for the Notes of a series has not been executed by such date, the authorization for the issuance of such series of Notes shall be rescinded, and such Notes shall not be issued nor their sale approved unless such Notes shall have been re-authorized by ordinance of the Council.

Section 4. Delivery of 2025 Replacement Note; Documentation. The proper officials of the City, including the Administrative Services Director and the Designated Representative, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the 2025 Replacement Note to the Purchaser thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the 2025 Replacement Note in accordance with the terms of this Ordinance and the Amended Continuing Covenant Agreement.

Section 5. Ratification. Except as hereby amended, the remaining terms and conditions of Ordinance No. 829, as previously amended by Ordinance Nos. 864, 877, and 962, 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. Corrections by Clerk. Upon approval of the City Attorney and Note Counsel and without further action of the Council, the City Clerk is hereby authorized to make necessary corrections to this ordinance, including but not limited to the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; ordinance numbering and section/subsection numbering; and other similar necessary corrections.

Section 7. Effective Date of Ordinance. This ordinance shall take effect and be in force five (5) days from and after its passage, approval, and publication, as required by law. A summary of this ordinance, consisting of the title, may be published in lieu of publishing the ordinance in its entirety.

PASSED BY THE CITY COUNCIL ON MAY 5, 2025.

Signed by:
Christopher Roberts
6246A98586E2404...

Mayor Christopher Roberts

ATTEST:

APPROVED AS TO FORM:

DocuSigned by:
Jessica Simulcik Smith
440139DE7D11479...

Jessica Simulcik Smith
City Clerk

DocuSigned by:
Deanna Gregory
18E0B55A5D7B4EF...

Pacifica Law Group LLP
Note Counsel

Date of Publication: May 8, 2025
Effective Date: May 13, 2025

**EXHIBIT A
FORM OF 2025 REPLACEMENT NOTE**

UNITED STATES OF AMERICA

R-1-2

\$16,600,000

STATE OF WASHINGTON

CITY OF SHORELINE

**LIMITED TAX GENERAL OBLIGATION
BOND ANTICIPATION NOTE, 2020 (TAXABLE)
(AS EXTENDED ON June 1, 2022 and _____, 2025)**

PRINCIPAL AMOUNT: SIXTEEN MILLION SIX HUNDRED THOUSAND AND NO/100 DOLLARS

ORIGINAL DATED DATE: February 14, 2020

EXTENSION DATE: _____, 2025

INTEREST RATE: [____]% (subject to a Default Rate described below)

MATURITY DATE: June 1, 2028

REGISTERED OWNER: U.S. Bank Trust Company, National Association (and its successors and assigns)

The City of Shoreline, Washington (the “City”) hereby acknowledges itself to owe and for value received promises to pay, but only from the sources and as hereinafter provided, to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from the date of delivery, or the most recent date to which interest has been paid or duly provided for, at the Interest Rate set forth above (the “Interest Rate”), subject to a default rate (the “Default Rate”) as described below. Interest on this Note shall accrue from its dated date until paid and shall be computed per annum on the principal amount outstanding on the basis of a year of 360 days and twelve 30-day months. Principal of and accrued interest on this Note shall be payable in lawful money of the United States of America by check, warrant, ACH transfer or by other means mutually acceptable to the Registered Owner and the City, without the need for presentation or surrender of this Note, on the dates set forth in the payment schedule attached hereto. The fiscal agent of the State of Washington has been appointed by the City as the authenticating agent, paying agent and registrar for this Note (the “Note Registrar”).

This Note is issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and Ordinance No. 839, as amended by Ordinance No. 864, as further amended by Ordinance No. 877, as further amended by Ordinance No. 962, and as further amended by Ordinance No. ____ (together, the “Note Ordinance”) of the City. Capitalized terms used in this Note have the meanings given such terms in the Note Ordinance.

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

This Note is issued pursuant to the Note Ordinance and the Continuing Covenant Agreement dated February 14, 2020, as amended, between the City and U.S. Bank Trust Company, National Association, as successor to U.S. Bank National Association (the “Continuing Covenant Agreement”), to provide a portion of the funds

necessary (a) to pay costs to acquire sites for park and recreation purposes and for other capital expenditures described in the Parks, Recreation and Open Space Plan, and (b) to pay costs of issuance.

This Note may be prepaid prior to maturity as provided in the Continuing Covenant Agreement.

Upon the occurrence of any Event of Default (as defined in the Continuing Covenant Agreement) and until such time as such Event of Default has been remedied or waived in writing by the Bank, the interest rate on this Note shall increase to the Bank's Prime Rate plus five percentage points (5.0%) (the "Default Rate") and the Bank may pursue any other remedies to which it is entitled under the Continuing Covenant Agreement, at law or in equity. Notwithstanding the foregoing, this Note shall not be subject to acceleration prior to maturity.

The City has covenanted with the owner of this Note that it will issue and sell limited tax general obligation bonds in an aggregate principal amount sufficient, with such other moneys of the City available for such purposes as the Council may from time to time appropriate and set aside, to pay the principal of and interest on this Note when due, unless the City issues its unlimited tax general obligation bonds for this purpose with voter approval, and will thereupon redeem this Note. The City further 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 monies legally available therefor, to pay the principal of and interest on this Note 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. The pledge of tax levies for payment of principal of and interest on this Note may be discharged prior to maturity of this Note by making provision for the payment thereof on the terms and conditions set forth in the Note Ordinance.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist and to have happened, been done and performed precedent to and in the issuance of this Note exist and have happened, been done and performed and that the issuance of this Note 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 Shoreline, Washington, has caused this Note to be executed by the manual or facsimile signatures of the Mayor and the City Clerk and the seal of the City to be imprinted, impressed or otherwise reproduced hereon as of this 14th day of February, 2020 (as extended on June 1, 2022 and _____, 2025).

[SEAL]

CITY OF SHORELINE, WASHINGTON

By _____ /s/ manual or facsimile
Mayor

ATTEST:

_____/s/ manual or facsimile
City Clerk

This Note is the Limited Tax General Obligation Bond Anticipation Note, 2020 (Taxable), of the City of Shoreline, Washington, dated February 14, 2020 (as extended on June 1, 2022 and _____, 2025), described in the within-mentioned Note Ordinance.

Date of Authentication of this replacement Note: _____, 2025

WASHINGTON STATE FISCAL AGENT, as Note Registrar

By _____

PAYMENT SCHEDULE

Principal of and interest on this note shall be payable as set forth in the following schedule:

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 Ordinance No. ____ (the "Ordinance") is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held on May 5, 2025, as that ordinance appears in the minute book of the City; and the Ordinance will be in full force and effect after its passage and publication as provided by law.

2. That said meeting was duly convened and held in all respects in accordance with 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 Ordinance; that all other requirements and proceedings incident to the proper passage of said Ordinance have been fully fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

3. The Ordinance 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 5th day of May, 2025.

Jessica Simulcik Smith, City Clerk