



## RESOLUTION NO. 39469

1 A RESOLUTION authorizing the proper officials of the City, including the Finance  
2 Director, Treasurer, and City Manager, to enter into certain amendments  
3 and other agreements, and ratifying execution of the same, in relation to the  
4 defeasance of certain outstanding TES Properties Lease Revenue Bonds,  
5 2009.

6 WHEREAS, the City of Tacoma, Washington (the "City"), now owns,  
7 operates, and maintains a municipal sewer system, comprised of Wastewater  
8 Management and Surface Water Management (the "System"), and

9 WHEREAS the City sought proposals for the development of an office and  
10 laboratory building (the "Urban Waters Building") for occupancy by the City's  
11 Environmental Services Department and other tenants, and selected TES  
12 Properties, a Washington nonprofit corporation ("TES"), and Lorig Associates,  
13 L.L.C. to develop the Urban Waters Building, and

14 WHEREAS, pursuant to a Property Conveyance and Reconveyance  
15 Agreement between TES and the City, the City conveyed to TES real property on  
16 which TES was to develop the Urban Waters Building (including TES's interest in  
17 the real property, the "Project") on behalf of the City, and the City leased the  
18 completed Project from TES pursuant to a Project Lease Agreement (the "Project  
19 Lease"), approved by Ordinance No. 27677, as amended by Ordinance No. 27783,  
20 passed by the City Council on December 18, 2007, and January 20, 2009,  
21 respectively, and  
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23 WHEREAS TES financed the development of the Project through the  
24 issuance of its Lease Revenue Bonds, 2009 (the "TES Bonds") which were issued  
25 on behalf of the City pursuant to Revenue Ruling 63-20 of the U.S. Department of  
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1 Treasury (as compiled and supplemented by Revenue Procedure 82-26 of the  
2 U.S. Department of Treasury) (together, the “Ruling”) under the terms of an  
3 Indenture of Trust dated as of February 1, 2009 (the “Indenture”), and

4 WHEREAS, pursuant to the Ruling, the City has the right to obtain  
5 unencumbered title and exclusive possession of the Project by placing into escrow  
6 an amount sufficient to defease the TES Bonds and pay reasonable costs incident  
7 to the defeasance, and

8 WHEREAS, pursuant to Ordinance No. 28355, passed on April 26, 2016  
9 (the “Sewer Revenue Refunding Bond and Defeasance Ordinance”), the City has  
10 authorized the issuance of its Sewer Revenue Refunding Bonds, 2016A (the  
11 “2016 Bonds”) for the purpose of providing the funds to be used, together with  
12 other available funds of the City, to advance, refund and defease the TES Bonds,  
13 to fund the debt service reserve account, and to pay costs of issuance for the  
14 2016 Bonds, and

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17 WHEREAS the Sewer Revenue Refunding Bond and Defeasance  
18 Ordinance provides, at Section 19(b), for delegation to the proper officials of the  
19 City the authority to undertake all action necessary to effect the closing and  
20 delivery of the 2016 Bonds, including assignment and termination of management  
21 contracts and other encumbrances on the Project, and

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23 WHEREAS the City Council further desires to delegate to the proper  
24 officials of the City, and their designees, all such authority as is necessary and  
25 proper, following the refunding and defeasance of all outstanding TES Bonds  
26 pursuant to the requirements of the Indenture, to discharge the lien of the



1 Indenture, thereby terminating the Project Lease and vesting in the City  
2 unencumbered fee title to, and exclusive possession of, the Project, as required  
3 under the Ruling, and

4 WHEREAS the City Council further desires to ratify any actions by proper  
5 City officials taken prior to the effective date hereof in furtherance of the refunding  
6 and defeasance of the TES Bonds, discharge of the lien of the Indenture,  
7 termination of the Project Lease and vesting unencumbered title in the City; Now  
8 Therefore,

9 BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

10 Section 1. That the City Council ratifies and the proper officers of the City  
11 are hereby authorized to perform all necessary actions for the Urban Waters  
12 Transfer. "Urban Waters Transfer" means the actions necessary, following the  
13 refunding and defeasance of all outstanding TES Bonds pursuant to the  
14 requirements of the Indenture, to discharge the lien of the Indenture, thereby  
15 terminating the Project Lease and vesting in the City unencumbered fee title to,  
16 and exclusive possession of, the Project (including the associated real property),  
17 as required under the Ruling.

18 Section 2. That the City Council ratifies and the proper officers of the City,  
19 including the Finance Director, Treasurer, and City Manager, and their designated  
20 representatives, are hereby authorized to take all necessary actions with respect to  
21 the Urban Waters Transfer, including entering into such agreements as are  
22 necessary to terminate the Project Lease, to effect the Urban Waters Transfer and  
23 to terminate all encumbrances with respect to the Project within 90 days of the  
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Urban Water Transfer, as required by the Ruling. Such agreements include, but are not limited to, the Agreement for Redemption of Bonds between the City and TES Properties; the temporary assignment and subsequent termination of any management contracts and other encumbrances; and the assignment of certain service contracts and other agreements with respect to the Project, all in accordance with this resolution and the Ruling.

Adopted \_\_\_\_\_

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Approved as to form:

\_\_\_\_\_  
Deputy City Attorney