



ORDINANCE NO. 23412

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AN ORDINANCE relating to local improvement districts and authorizing the Finance Director to contract for interim financing of costs and expenses of such districts pending the issuance of bonds.

WHEREAS it is desirable to provide by general ordinance authority for the Finance Director of the City of Tacoma, Washington (the "City") to contract for interim financing of the costs and expense of local improvement districts of the City pending the issuance of bonds, all pursuant to Chapter 39.50 RCW; Now, Therefore,

BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. That the Finance Director is authorized to negotiate and enter into contracts for the sale of warrants, installment notes, bond anticipation notes, or other short-term obligations as authorized by Chapter 39.50 RCW, up to the maximum of the then estimated costs and expense of each local improvement district. Unless otherwise provided by an ordinance relating to a specific local improvement district, such obligations may bear a fixed rate or rates or a variable rate or rates of interest which may be based on a bank prime or the most recent prime rate of interest published in the Wall Street Journal, but in any event shall not exceed a net effective interest rate of twelve percent (12%) per annum. Such short-term obligations shall be dated as of the date of their issuance and shall not be outstanding, together with any other short-term obligations issued to redeem the same, for longer than the time permitted by Chapter 39.50 RCW. Such short-term obligations shall be registered in accordance with Ordinance No. 22999, as it may be amended, if so required in order to exempt the interest thereon from federal income taxation; the Finance Director may designate which short-term obligations are those de-

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1 scribed in Section 3(d) of Ordinance No. 22999 as "obligations not usually
2 subject to trading."

3 The short-term obligations may be paid from the proceeds of local
4 improvement district bonds or consolidated local improvement bonds, from
5 assessment payments, from the proceeds of the issuance of other short-term
6 obligations, or from other City funds made available for that purpose.
7 The short-term obligations shall be drawn on the local improvement fund
8 created for the applicable local improvement district, and unless other-
9 wise permitted by law, shall be payable solely out of that fund or the
10 Local Improvement Guaranty Fund of the City.

11 The short-term obligations may be subject to prior redemption,
12 may be sold at a discount, at par, or at a premium, and shall be in such
13 denominations and bear such other covenants respecting payment as the
14 Finance Director may determine. Both principal of and interest on the
15 short-term obligations shall be payable in lawful money of the United
16 States of America at the office or officers of the registrar.

17 Section 2. The City Council finds and determines that the maxi-
18 mum rate of interest and the standards for the index for the variable in-
19 terest rates established in this ordinance are in the best interest of the
20 City.

21
22 Passed JUN 11 1985

23 
24 Mayor
25 Attest: 
City Clerk

26 F7jec
#3671r

BLUE - - - -Legal Department
PINK - - - -Finance Dept.
GOLDENROD -Departmental



REQUEST for ORDINANCE
or RESOLUTION

CITY CLERK'S OFFICE

NO. 9002

INSTRUCTIONS: File request in the City Manager's Office no later than 5:00 p.m. FRIDAY, eleven days prior to the Council Meeting at which it is to be introduced. List facts necessary for the City Attorney's use in preparation of ordinance or resolution. Attach all material pertinent to the subject. NOTE: All appropriation requests must be cleared and approved by the Director of Finance or Controller before submitting to City Manager or Director of Public Utilities. (See Section 2). Departments must complete all paragraphs except 2 and 3. (If necessary, refer to Guide 15.2 (LEG 210) Subject: Departmental Request for Ordinance or Resolution). 23412

DATE May 22, 1985	REQUEST MADE BY David H. Dow	DEPARTMENT /DIVISION (Name and Number)	PROGRAM
1. David H. Dow Department Head	2. Approved as to Availability of Funds XXXXXXXX Director of Finance	3. XXXXXXXXXXXXXXXXXXXX City Manager	

4. PREPARATION OF AN ORDINANCE ~~RESOLUTION~~ (indicate which) IS REQUESTED FOR THE CITY COUNCIL MEETING OF TUESDAY June 4, 1985, TO:

Authorize the Finance Director to issue and sell bond anticipation notes, warrants or installment notes when those short-term obligations have been otherwise authorized by an ordinance creating a Local Improvement District (LID). Such short-term obligations shall not be outstanding for longer than permitted by Chapter 39.50 RCW nor shall they exceed a net effective interest rate of 12% per annum.

5. BACKGROUND INFORMATION (Why is Request necessary?)

Currently, LID construction financing is obtained through the issuance of interest bearing warrants. This ordinance will add the additional financing method of bond anticipation notes (BAN's). BAN's will be competitively bid and the bidder providing the lowest and best net interest cost will be awarded the BAN. Funds from the issuance of the interim financing will be used to pay the construction cost of individual LID projects. Each LID project must have the prior approval of the City Council before BAN bids are solicited and awarded. The addition of BAN financing is anticipated to reduce the financing costs of LID's and thereby result in lower property owner LID assessments.

6. FUNDING SOURCE: (Enter Amount of Funding from each source)

Federal \$ _____ State \$ _____ City \$ _____ Other _____ Total Amount \$ _____

Funding for the proposed legislation is found in the _____ budget, Division _____

Page _____ Fund Number & Name _____ LID Property Assessments N/A

(b) Contract Compliance

Approved

Not Approved

Delay Recommended

Not Applicable

COMMENTS:

(If needed, see Guide No. 3.1 (LEG 210), Subject: Affirmative Action and Contract Compliance.)

8. STATUS:

NEW LEGISLATION

AMENDING LEGISLATION

Legislation amends Res/Ord. _____

Section _____

Chapter _____

9. SALIENT COMMENTS: List or identify significant information or exceptions that could be meaningful in processing this legislation.

Authorize the Finance Director to issue Bond Anticipation Notes (BAN's) or other short-term obligations as authorized by Chapter 39.50 RCW in addition to current interest bearing warrants for the purpose of financing the construction costs of Council approved Local Improvement District projects.

10. ESTIMATED TIME REQUIRED, AFTER LEGISLATION, TO IMPLEMENT PROJECT Three months N/A

11. ENVIRONMENTAL ASSESSMENT:

Non-Action

Exempt

Declaration of Non-Significance

EIS

COMMENTS:

(If needed, see Guide No. 43 (ADM 1600), Subject: Environmental (SEPA) Public Information Center.)

12. SOURCE DOCUMENTS: (List all material filed in the City Clerk's Office as backup information for the request, and attach said backup information.)

A. RCW 39.50

B.

C.

D.

13. SUMMARY TITLE: (A brief sentence, not to exceed fifty words, as it will appear on the Council Agenda.)

Authorize the Finance Director to issue Bond Anticipation Notes (BAN's) or other short-term obligations as authorized by Chapter 39.50 RCW in addition to current interest bearing warrants for the purpose of financing the construction costs of Council approved Local Improvement District projects.

14. INDEX DATA: (Provide a minimum of three cross reference key words or phrases other than department or program.)

A. LID BAN Financing

B. Interim Financing of LID's

C. Bond Anticipation Notes

15. Ordinance # 23412

First Read

JUN 4 1985

Passed

JUN 11 1985

Resolution # _____

Adopted _____

Comments or Other Action Taken:

ORDINANCE NO. 23412

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The short-term obligations may be paid from the proceeds of local improvement district bonds or consolidated local improvement bonds, from assessment payments, from the proceeds of the issuance of other short-term obligations, or from other City funds made available for that purpose. The short-term obligations shall be drawn on the local improvement fund created for the applicable local improvement district, and unless otherwise permitted by law, shall be payable solely out of that fund or the Local Improvement Guaranty Fund of the City.

The short-term obligations may be subject to prior redemption, may be sold at a discount, at par, or at a premium, and shall be in such denominations and bear such other covenants respecting payment as the Finance Director may determine. Both principal of and interest on the short-term obligations shall be payable in lawful money of the United States of America at the office or offices of the registrar.

Section 2. The City Council finds and determines that the maximum rate of interest and the standards for the index for the variable interest rates established in this ordinance are in the best interest of the City.

Passed June 11, 1985.

DOUG SUTHERLAND, Mayor
Attest: GENELLE BIRK, City Clerk
June 13