



## ORDINANCE NO. 28638

1 AN ORDINANCE of the City of Tacoma, Washington, authorizing the issuance of  
2 its Local Improvement District No. 8645 bonds in the aggregate principal  
3 amount of not to exceed \$4,695,721.92 to finance and/or reimburse the  
4 City for costs of certain improvements within Local Improvement District  
5 No. 8645; fixing the interest rate on local improvement district assessment  
6 installments; amending Ordinance No. 28605; delegating the authority to  
7 approve the final terms of the bonds; and providing for related matters.

8 WHEREAS the City Council of the City of Tacoma, Washington (“City”),  
9 previously created Local Improvement District No. 8645 (“LID No. 8645,” and  
10 commonly referred to as the “Broadway LID”) for various local improvement  
11 purposes, and

12 WHEREAS the City Council now desires to authorize the issuance of the  
13 local improvement district bonds in the aggregate principal amount not to exceed  
14 \$4,695,721.92 (“Bonds”) to finance and/or reimburse the City for the costs of certain  
15 improvements in LID No. 8645, to make a deposit into the Guaranty Fund,  
16 segregate funds for the limited maintenance of landscaping, if any is required, and  
17 to pay costs of issuance of the Bonds, and

18 WHEREAS the City Council wishes to delegate authority to the City Finance  
19 Director, Treasurer, and Assistant Finance Director, or their designee, for a limited  
20 time, to approve the interest rates, maturity dates, redemption terms and principal  
21 maturities for the Bonds within the parameters set by this ordinance, and

22 WHEREAS the City expects to receive a proposal from D.A. Davidson & Co.  
23 (“Underwriter”) and now desires to issue and sell the Bonds to the Underwriter as  
24 set forth herein; Now, Therefore,

25 BE IT ORDAINED BY THE CITY OF TACOMA:  
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Section 1. Definitions and Interpretation of Terms.

A. Definitions. As used in this ordinance, the following words shall have the following meanings:

“Assessments” mean the assessments levied pursuant to the LID Ordinance and not prepaid during the legal prepayment period without interest or otherwise on or prior to October 18, 2019 for LID No. 8645.

“Beneficial Owner” means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Bonds” mean the City of Tacoma, Washington, Local Improvement District No. 8645 Bonds, 2019, authorized to be issued by the City pursuant to this ordinance.

“Bond Fund” means the “Local Improvement Fund, District No. 8645,” the special fund created by Substitute Ordinance No. 27475.

“Bond Purchase Contract” means the contract for the purchase of any Bonds between the Underwriter and the City, authorized to be executed pursuant to Section 12 of this ordinance.

“Bond Register” means the registration records for the Bonds maintained by the Bond Registrar.

“Bond Registrar” means the fiscal agency of the state of Washington.

“City” means the City of Tacoma, Washington, a municipal corporation duly organized and existing under the laws of the State of Washington.



1 "City Council" or "Council" means the City Council of the City as the general  
2 legislative authority of the City, as the same shall be duly and regularly constituted  
3 from time to time.

4 "City Clerk" means the duly appointed and acting City Clerk of the City or the  
5 successor to the duties of that office.  
6

7 "Code" means the Internal Revenue Code of 1986 as in effect on the date of  
8 issuance of the Bonds or (except as otherwise referenced herein) as it may be  
9 amended to apply to obligations issued on the date of issuance of the Bonds,  
10 together with applicable proposed, temporary and final regulations promulgated,  
11 and applicable official public guidance published, under the Code.  
12

13 "Commission" means the Securities and Exchange Commission.

14 "Continuing Disclosure Certificate" means the written undertaking for the  
15 benefit of the owners and Beneficial Owners of the Bonds as required by  
16 Section (b)(5) of the Rule.  
17

18 "Designated Representative" means the City Finance Director, Treasurer,  
19 and Assistant Finance Director, or his or her designee. The signature of one  
20 Designated Representative shall be sufficient to bind the City.

21 "DTC" means The Depository Trust Company, New York, New York.  
22

23 "Fair Market Value" means the price at which a willing buyer would purchase  
24 an investment from a willing seller in a bona fide, arm's-length transaction, except  
25 for specified investments as described in Treasury Regulation §1.148-5(d)(6),  
26 including United States Treasury obligations, certificates of deposit, guaranteed  
investment contracts, and investments for yield restricted defeasance escrows.



1 Fair Market Value is generally determined on the date on which a contract to  
2 purchase or sell an investment becomes binding, and, to the extent required by the  
3 applicable regulations under the Code, the term "investment" will include a hedge.

4 "Federal Tax Certificate" means the certificate executed by the Finance  
5 Director setting forth the requirements of the Code for maintaining the tax  
6 exemption of interest on the Bonds, and attachments thereto.

7 "Finance Director" means the duly appointed and acting Finance Director of  
8 the City or the successor to the duties of that office.

9 "Government Obligations" mean those obligations now or hereafter defined  
10 as such in chapter 39.53 RCW constituting direct obligations of, or obligations the  
11 principal of and interest on which are unconditionally guaranteed by the United  
12 States of America, as such chapter may be hereafter amended or restated.

13 "Guaranty Fund" means the Local Improvement Guaranty Fund of the City  
14 created by Ordinance No. 8414, as codified at Tacoma Municipal Code 10.08.

15 "LID No. 8645" means Local Improvement District No. 8645 created pursuant  
16 to the LID Ordinance.

17 "LID Ordinance" means Substitute Ordinance No. 27475, passed April 18,  
18 2006, authorizing the creation of LID No. 8645.

19 "Letter of Representations" mean the blanket issuer letter of representations  
20 from the City to DTC.

21 "MSRB" means the Municipal Securities Rulemaking Board or any successor  
22 to its functions.



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“Official Statement” means the disclosure documents prepared and delivered in connection with the issuance of the Bonds.

“Permitted Investments” means any investment permissible for the investment of public funds under Washington law, but only to the extent that the same is acquired at Fair Market Value.

“Project” means the local improvements completed pursuant to the LID Ordinance.

“Record Date” means the close of business for the Bond Registrar that is 15 days preceding any interest and/or principal payment or redemption date.

“Registered Owner” means the person in whose name the Bond is registered on the Bond Register.

“Rule” means the Securities and Exchange Commission’s Rule 15c2-12 under the Securities Act of 1934, as the same may be amended from time to time.

“Securities Act” means the Securities Act of 1933 as the same may be amended from time to time.

“Underwriter” means D.A. Davidson & Co., or its successors.

B. Interpretation. In this ordinance, unless the context otherwise requires:

1. The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this ordinance, refer to this ordinance as a whole and not to any particular article, section, subdivision or clause hereof, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this ordinance;



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2. Words of any gender shall mean and include correlative words of any other gender and words importing the singular number shall mean and include the plural number and vice versa;

3. Words importing persons shall include firms, associations, partnerships (including limited partnerships), limited liability companies, trusts, corporations and other legal entities, including public bodies, as well as natural persons;

4. Any headings preceding the text of the several articles and sections of this ordinance, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this ordinance, nor shall they affect its meaning, construction or effect; and

5. All references herein to "articles," "sections," and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

Section 2. Local Improvement District No. 8645. The 30-day period for making cash payment of assessments without interest in the following local improvement district ("LID No. 8645") has expired, and the City now desires to finance and/or reimburse itself for improvements made in such local improvement district from proceeds of the Bonds authorized in Section 3 below:

<b>LID No.</b>	<b>LID Formation Ordinance</b>		<b>Confirmed Assessment Roll Amount</b>	<b>Assessment Balance After 30-day Prepayme Period</b>
	<b>No.</b>	<b>Date</b>		
8645	27475	4/18/2006	\$9,025,367.79	\$ 4,695,721.92



1 Section 3. Authorization of the Bonds. For the purpose of financing and/or  
2 reimbursing the City for the costs of the Project, making a deposit, if any, into the  
3 Guaranty Fund and paying costs of issuance of the Bonds, the City is hereby  
4 authorized to issue and sell the Bonds in the aggregate principal amount of not to  
5 exceed \$4,695,721.92; provided, such final principal amount of the Bonds may not  
6 exceed the total amount on the assessment roll of LID No. 8645 remaining  
7 uncollected after the expiration of the 30-day interest-free prepayment period for  
8 assessments on such assessment roll and remaining outstanding as of October 18,  
9 2019.  
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12 The Bonds shall be designated "City of Tacoma, Washington, Local  
13 Improvement District No. 8645 Bonds, 2019" with additional designation in the Bond  
14 Purchase Contract and as approved by the Designated Representative.

15 The Bonds shall be dated as of their date of delivery, shall be fully registered  
16 as to both principal and interest, shall be in denominations of \$5,000 each, or any  
17 integral multiple thereof, except one bond shall be in the amount of \$4,695,721.92,  
18 within a maturity, shall be numbered separately in such manner and with any  
19 additional designation as the Bond Registrar deems necessary for purposes of  
20 identification, shall bear interest from their date payable on the dates and  
21 commencing as provided in the Bond Purchase Contract, and shall mature on the  
22 dates and in the principal amounts set forth in the Bond Purchase Contract, as  
23 approved and executed by a Designated Representative pursuant to Section 12 of  
24 this ordinance. The Bonds are obligations only of the Bond Fund and the Guaranty  
25 Fund and are not general obligations of the City.  
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Section 4. Registration, Exchange and Payments.

A. Bond Registrar/Bond Register. The City hereby specifies and adopts the system of registration approved by the Washington State Finance Committee from time to time through the appointment of state fiscal agencies. The City shall cause a Bond Register to be maintained by the Bond Registrar. So long as any Bonds remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration or transfer of Bonds at its designated office. The Bond Registrar may be removed at any time at the option of the Finance Director upon prior notice to the Bond Registrar and a successor Bond Registrar appointed by the Finance Director. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been appointed and until the successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance. The Bond Registrar shall be responsible for its representation contained in the Certificate of Authentication of the Bonds.

B. Registered Ownership. The City and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as provided in the Continuing Disclosure Certificate), and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section D.7, but such Bond may be transferred as herein provided. All such



1 payments made as described in Section D.7 shall be valid and shall satisfy and  
2 discharge the liability of the City upon such Bond to the extent of the amount or  
3 amounts so paid.

4 C. DTC Acceptance/Letters of Representations. The Bonds initially shall be  
5 held by DTC acting as depository. The City has executed and delivered to DTC a  
6 Blanket Issuer Letter of Representations. Neither the City nor the Bond Registrar  
7 shall have any responsibility or obligation to DTC participants or the persons for  
8 whom they act as nominees (or any successor depository) with respect to the  
9 Bonds in respect to the accuracy of any records maintained by DTC (or any  
10 successor depository) or any DTC participant, the payment by DTC (or any  
11 successor depository) or any DTC participant of any amount in respect of the  
12 principal of or interest on Bonds, any notice which is permitted or required to be  
13 given to Registered Owners under this ordinance (except such notices as shall be  
14 required to be given by the City to the Bond Registrar or to DTC (or any successor  
15 depository)).

16 D. Use of Depository.

17 1. The Bonds shall be registered initially in the name of "Cede & Co.",  
18 as nominee of DTC, with one Bond maturing on each of the maturity dates for the  
19 Bonds in a denomination corresponding to the total principal therein designated to  
20 mature on such date. Registered ownership of such Bonds, or any portions thereof,  
21 may not thereafter be transferred except (a) to any successor of DTC or its  
22 nominee, provided that any such successor shall be qualified under any applicable  
23 laws to provide the service proposed to be provided by it; (b) to any substitute  
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1 depository appointed by the Finance Director pursuant to Subsection 2 below or  
2 such substitute depository's successor; or (c) to any person as provided in  
3 Subsection 4 below.

4                   2. Upon the resignation of DTC or its successor (or any substitute  
5 depository or its successor) from its functions as depository or a determination by  
6 the Finance Director to discontinue the system of book entry transfers through DTC  
7 or its successor (or any substitute depository or its successor), the Finance Director  
8 may hereafter appoint a substitute depository. Any such substitute depository shall  
9 be qualified under any applicable laws to provide the services proposed to be  
10 provided by it.

11                   3. In the case of any transfer pursuant to clause (a) or (b) of  
12 Subsection 1 above, the Bond Registrar shall, upon receipt of all outstanding  
13 Bonds, together with a written request on behalf of the Finance Director, issue a  
14 single new Bond for each maturity of that series then outstanding, registered in the  
15 name of such successor or such substitute depository, or their nominees, as the  
16 case may be, all as specified in such written request of the Finance Director.

17                   4. In the event that (a) DTC or its successor (or substitute depository  
18 or its successor) resigns from its functions as depository, and no substitute  
19 depository can be obtained, or (b) the Finance Director determines that it is in the  
20 best interest of the beneficial owners of the Bonds that such owners be able to  
21 obtain physical Bond certificates, the ownership of such Bonds may then be  
22 transferred to any person or entity as herein provided, and shall no longer be held  
23 by a depository. The Finance Director shall deliver a written request to the Bond  
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1 Registrar, together with a supply of physical Bonds, to issue Bonds as herein  
2 provided in any authorized denomination. Upon receipt by the Bond Registrar of all  
3 then outstanding Bonds together with a written request on behalf of the Finance  
4 Director to the Bond Registrar, new Bonds of such series shall be issued in the  
5 appropriate denominations and registered in the names of such persons as are  
6 requested in such written request.  
7

8           5. Registration of Transfer of Ownership or Exchange; Change in  
9 Denominations. The transfer of any Bond may be registered and Bonds may be  
10 exchanged, but no transfer of any such Bond shall be valid unless it is surrendered  
11 to the Bond Registrar with the assignment form appearing on such Bond duly  
12 executed by the Registered Owner or such Registered Owner's duly authorized  
13 agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the  
14 Bond Registrar shall cancel the surrendered Bond and shall authenticate and  
15 deliver, without charge to the Registered Owner or transferee therefor, a new Bond  
16 (or Bonds at the option of the new Registered Owner) of the same date, maturity,  
17 and interest rate and for the same aggregate principal amount in any authorized  
18 denomination, naming as Registered Owner the person or persons listed as the  
19 assignee on the assignment form appearing on the surrendered Bond, in exchange  
20 for such surrendered and cancelled Bond. Any Bond may be surrendered to the  
21 Bond Registrar and exchanged, without charge, for an equal aggregate principal  
22 amount of Bonds of the same date, maturity, and interest rate, in any authorized  
23 denomination. The Bond Registrar shall not be obligated to register the transfer of  
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1 or to exchange any Bond between the Record Date and the next principal payment  
2 or redemption date.

3           6. Bond Registrar's Ownership of Bonds. The Bond Registrar may  
4 become the Registered Owner of any Bond with the same rights it would have if it  
5 were not the Bond Registrar, and to the extent permitted by law, may act as  
6 depository for and permit any of its officers or directors to act as a member of, or in  
7 any other capacity with respect to, any committee formed to protect the right of the  
8 Registered Owners or beneficial owners of Bonds.  
9

10           7. Place and Medium of Payment. Both principal of and interest on  
11 the Bonds shall be payable in lawful money of the United States of America.  
12 Interest on the Bonds shall be calculated on the basis of a year of 360 days and  
13 twelve 30-day months. For so long as all Bonds are held by a depository,  
14 payments of principal thereof and interest thereon shall be made as provided in  
15 accordance with the operational arrangements of DTC referred to in the Letter of  
16 Representations. In the event that the Bonds are no longer held by a depository,  
17 interest on the Bonds shall be paid by check or draft mailed to the Registered  
18 Owners at the addresses for such Registered Owners appearing on the Bond  
19 Register on the Record Date, or upon the written request of a Registered Owner of  
20 more than \$1,000,000 of Bonds (received by the Bond Registrar at least by the  
21 Record Date), such payment shall be made by the Bond Registrar by wire transfer  
22 to the account within the United States designated by the Registered Owner.  
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26 Principal of the Bonds shall be payable upon presentation and surrender of such  
Bonds by the Registered Owners at the designated office of the Bond Registrar.



1           If any Bond is duly presented for payment and funds have not been provided  
2 by the City on the applicable payment date, then interest will continue to accrue  
3 thereafter on the unpaid principal thereof at the rate stated on the Bond until the  
4 Bond is paid.

5           Section 5. Redemption Prior to Maturity and Purchase of Bonds.

6           A. The City reserves the right to redeem the Bonds prior to their stated  
7 maturity on any interest payment date, in order of the estimated redemption  
8 schedule set forth in the Bond Purchase Contract, if any, and shall call Bonds for  
9 redemption whenever there shall be sufficient money in the Bond Fund to pay the  
10 Bonds so called over and above the amount required for the payment of the interest  
11 payable on that interest payment date on all unpaid Bonds.  
12

13           B. Purchase of Bonds. The City hereby reserves the right at any time to  
14 purchase any of the Bonds from amounts available for such purchase.  
15

16           C. Selection of Bonds for Redemption. For as long as the Bonds are held in  
17 book entry only form, the selection of particular Bonds within a maturity to be  
18 redeemed shall be made in accordance with the operational arrangements then in  
19 effect at DTC. If the Bonds are no longer held by a depository, the selection of  
20 such Bonds to be redeemed and the surrender and reissuance thereof, as  
21 applicable, shall be made as provided in the following provisions of this  
22 Subsection C. If the City redeems at any one time fewer than all of the Bonds  
23 having the same maturity date, the particular Bonds or portions of Bonds of such  
24 maturity to be redeemed shall be selected by lot (or in such manner determined by  
25 the Bond Registrar) in increments of the denominated amount. In the case of a  
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1 Bond of a denomination greater than \$5,000, the City and the Bond Registrar shall  
2 treat each Bond as representing such number of separate Bonds each of the  
3 denomination of \$5,000 as is obtained by dividing the actual principal amount of  
4 such Bond by \$5,000. In the event that only a portion of the principal sum of a  
5 Bond is redeemed, upon surrender of such Bond at the designated office of the  
6 Bond Registrar there shall be issued to the Registered Owner, without charge  
7 therefor, for the then unredeemed balance of the principal sum thereof, at the  
8 option of the Registered Owner, a Bond or Bonds of like maturity and interest rate  
9 in any of the denominations herein authorized.  
10

11 D. Notice of Redemption.

12 1. Official Notice. For so long as the Bonds are held by a depository,  
13 notice of redemption shall be given in accordance with the operational  
14 arrangements of DTC as then in effect, and neither the City nor the Bond Registrar  
15 shall provide any notice of redemption to any beneficial owners. The notice of  
16 redemption may be conditional. Unless waived by any owner of Bonds to be  
17 redeemed, official notice of any such redemption (which redemption may be  
18 conditioned by the Bond Registrar on the receipt of sufficient funds for redemption  
19 or otherwise) shall be given by the Bond Registrar on behalf of the City by mailing a  
20 copy of an official redemption notice by email or first class mail at least 20 days and  
21 not more than 60 days prior to the date fixed for redemption to the Registered  
22 Owner of the Bond or Bonds to be redeemed at the address shown on the Bond  
23 Register or at such other address as is furnished in writing by such Registered  
24 Owner to the Bond Registrar.  
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All official notices of redemption shall be dated and shall state:

- a. the redemption date,
- b. the redemption price,
- c. if fewer than all outstanding Bonds are to be redeemed, the identification by maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- d. any conditions to redemption, and
- e. the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Bond Registrar.

On or prior to any redemption date, unless such redemption has been rescinded or revoked, or any condition to redemption has not been satisfied, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of such Bonds which are to be redeemed on that date. The City retains the right to rescind any redemption notice and the related optional redemption of Bonds by giving notice of rescission to the affected registered owners at any time on or prior to the scheduled redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain outstanding. Notice of an optional redemption that is subject to conditions that are not satisfied or waived on or before the scheduled redemption date shall be deemed to be rescinded on the scheduled redemption date.





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2. Effect of Notice; Bonds Due. If notice of redemption has been given and not rescinded or revoked, or if the conditions set forth in a conditional notice of redemption have been satisfied or waived, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be canceled by the Bond Registrar and shall not be reissued.

3. Additional Notice. In addition to the foregoing notice, further notice shall be given by the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 20 days before the redemption date to each party entitled to receive notice pursuant to Section 13 and with such additional



1 information as the City shall deem appropriate, but such mailings shall not be a  
2 condition precedent to the redemption of such Bonds.

3                   4. Amendment of Notice Provisions. The foregoing notice  
4 provisions of this Section 5, including, but not limited to, the information to be  
5 included in redemption notices and the persons designated to receive notices, may  
6 be amended by additions, deletions and changes in order to maintain compliance  
7 with duly promulgated regulations and recommendations regarding notices of  
8 redemption of municipal securities.  
9

10                   Section 6. Form of Bonds. The Bonds shall be in substantially the form set  
11 forth at Exhibit A, which form is determined to comply with Tacoma Municipal  
12 Code 10.06.010.  
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14                   Section 7. Execution of Bonds. As provided in Tacoma Municipal  
15 Code 10.06.020, the Bonds shall be signed by the Mayor, countersigned by the  
16 Director of Finance, and attested by the City Clerk, who shall affix the corporate  
17 seal of the City thereto.  
18

19                   In the event any officer who shall have signed or whose facsimile signatures  
20 appear on any of the Bonds shall cease to be such officer of the City before said  
21 Bonds shall have been authenticated or delivered by the Bond Registrar or issued  
22 by the City, such Bonds may nevertheless be authenticated, delivered and issued  
23 and, upon such authentication, delivery and issuance, shall be as binding upon the  
24 City as though said person had not ceased to be such officer. Any Bond may be  
25 signed and attested on behalf of the City by such persons who, at the actual date of  
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1 execution of such Bond shall be the proper officer of the City, although at the  
2 original date of such Bond such persons were not such officers of the City.

3           Only such Bonds as shall bear thereon a Certificate of Authentication  
4 manually executed by an authorized representative of the Bond Registrar shall be  
5 valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such  
6 Certificate of Authentication shall be conclusive evidence that the Bonds so  
7 authenticated have been duly executed, authenticated and delivered hereunder and  
8 are entitled to the benefits of this ordinance.

9  
10           Section 8. Application of Bond Proceeds. Proceeds of the Bonds and  
11 prepaid assessments shall be applied as follows:

12  
13           A. An amount up to 10 percent of the principal amount of the Bonds may be  
14 deposited into the Guaranty Fund, as directed by the Finance Director; and

15           B. The balance of the Bond proceeds, prepaid assessments and  
16 installments of assessments and interest received on or prior to October 18, 2019,  
17 or such later date prior to the issuance of the Bonds specified by the Finance  
18 Director shall be applied to finance and/or reimburse the City for costs of the Project  
19 (including, without limitation, repayment of interim financing), and to pay all  
20 expenses incidental thereto and to the issuance of the Bonds.

21  
22           Section 9. Bond Fund. There has been created and established in the office  
23 of the Finance Director a special local improvement district fund known and  
24 designated as the "Local Improvement Fund, District No. 8645" (the "Bond Fund").

25  
26 The Bond Fund shall be a trust fund and shall be drawn upon only for the payment  
of the principal of and interest on the Bonds. Except as provided in Section 8.B, all



1 money presently on hand representing collections pertaining to installments of  
2 Assessments and interest thereon in LID No. 8645 shall be deposited in the Bond  
3 Fund, and all collections pertaining to Assessments on the assessment roll of such  
4 local improvement district shall, when hereafter received, be deposited in the Bond  
5 Fund to redeem outstanding Bonds. The Bond shall be an obligation only of the  
6 Bond Fund and the Guaranty Fund and is not a general obligation of the City.  
7

8         The City hereby covenants that (a) it will diligently commence and pursue the  
9 collection of all delinquent assessments, which pursuit shall include the timely  
10 initiation of foreclosure proceedings on assessments of properties in LID No. 8645  
11 which are delinquent; and (b) it will maintain money or lawful investments from time  
12 to time in the Guaranty Fund in an amount (based on Fair Market Values), subject  
13 only to constitutional or statutory limitations, that shall be at least equal to (i) so long  
14 as the City's Consolidated Local Improvement District No. 64 Bonds or  
15 Consolidated Local Improvement District No. 65 Bonds are outstanding, 10 percent  
16 of the total principal amount of all obligations guaranteed by the Guaranty Fund,  
17 plus accrued but unpaid interest thereon, and less the total amount of money and  
18 lawful investments in the respective bond funds for payment and redemption of all  
19 outstanding obligations guaranteed by the Guaranty Fund; and (ii) thereafter,  
20 5 percent of the total principal amount of all outstanding obligations guaranteed by  
21 the Guaranty Fund.  
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25         The City may invest funds in the Bond Fund in any Permitted Investment and  
26 the investment earnings shall be retained therein and applied to the purposes of the  
Bond Fund.



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Section 10. Pledge of Assessment Payments. Assessments collected in LID No. 8645, together with interest and penalties, if any, are pledged to the payment of the Bonds, which are payable solely out of the Bond Fund and the Guaranty Fund in the manner provided by law. The Bonds are not general obligations of the City.

Section 11. Defeasance. In the event that the City, in order to effect the payment, retirement or redemption of any Bond, sets aside in the Bond Fund or in another special account, cash or noncallable Government Obligations, or any combination of cash and/or noncallable Government Obligations, in amounts and maturities which, together with the known earned income therefrom, are sufficient to redeem or pay and retire such Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on such Bond. The owner of a Bond so provided for shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive payment of principal, premium, if any, and interest from the Bond Fund or such special account, and such Bond shall be deemed to be not outstanding under this ordinance. The City shall give written notice of defeasance of the Bonds in accordance with the Continuing Disclosure Certificate.



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Section 12. Sale of the Bonds.

A. Bond Sale. The Bonds shall be sold at negotiated sale to the Underwriter pursuant to the terms of the Bond Purchase Contract. The Council hereby determines that it is in the best interest of the City to delegate to the Designated Representatives for a limited time the authority to approve the final interest rates, aggregate principal amount, maturity date, and redemption rights (including the estimated redemption schedule for the Bonds, if any).

Subject to the terms and conditions set forth in this Section 12, each Designated Representative is hereby authorized approve the final interest rates, aggregate principal amount, maturity date, and redemption rights (including the estimated redemption schedule for the Bonds, if any) in the manner provided hereafter so long as:

1. the aggregate principal amount of the Bonds does not exceed \$4,695,721.92;
2. the final maturity date of the Bond is December 1, 2049;
3. the aggregate purchase price for the Bonds shall not be less than 95 percent and not greater than 105 percent of the aggregate stated principal amount of the Bonds, excluding any original issue discount, and
4. the true interest cost of the Bonds (in the aggregate) does not exceed 5.00 percent.

Subject to the terms and conditions set forth in this section, each Designated Representative is hereby authorized to execute the Bond Purchase Contract on behalf of the City.



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Following the execution of the Bond Purchase Contract, a Designated Representative shall provide a report to the Council, describing the final terms of the Bonds approved pursuant to the authority delegated in this section.

The authority granted to the Designated Representatives by this Section 12 shall expire 180 days after the effective date of this ordinance. If a Bond Purchase Contract for the Bonds has not been executed within 180 days after the effective date of this ordinance, the authorization for the issuance of the Bonds shall be rescinded, and the Bonds shall not be issued nor their sale approved unless such Bonds shall have been re-authorized by ordinance of the Council. The ordinance re-authorizing the issuance and sale of such Bonds may be in the form of a new ordinance repealing this ordinance in whole or in part or may be in the form of an amendatory ordinance.

B. Delivery of Bonds; Documentation. Following the passage and approval of this ordinance and execution of the Bond Purchase Contract, the proper officials of the City, including the Finance Director, Treasurer, and Assistant Finance Director, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Bonds to the Underwriter and further to execute all closing certificates and documents required to effect the closing and delivery of the Bonds in accordance with the terms of this ordinance and the Bond Purchase Contract. Such documents may include, but are not limited to, documents related to a municipal bond insurance policy delivered by an insurer to insure the payment when due of the principal of and interest on all or a portion of



1 the Bonds as provided therein, if such insurance is determined by the Designated  
2 Representative to be in the best interest of the City.

3 Section 13. Preliminary and Final Official Statements. Any Designated  
4 Representative is hereby authorized to deem final the preliminary Official Statement  
5 relating to the Bonds for the purposes of the Rule. Any Designated Representative  
6 is further authorized to approve for purposes of the Rule, on behalf of the City, the  
7 final Official Statement relating to the issuance and sale of the Bonds and the  
8 distribution of the final Official Statement pursuant thereto with such changes, if  
9 any, as may be deemed by him or her to be appropriate.  
10

11 Section 14. Ongoing Disclosure; Covenants.

12 A. Ongoing Disclosure. The City covenants to execute and deliver a  
13 Continuing Disclosure Certificate. Each Designated Representative is hereby  
14 authorized to execute and deliver a Continuing Disclosure Certificate upon the  
15 issuance, delivery, and sale of the Bonds with such terms and provisions as such  
16 shall officer shall deem appropriate and in the best interest of the City.  
17

18 B. Tax Covenants. The City will take all actions necessary to assure the  
19 exclusion of interest on the Bonds from the gross income of the owners of the Bond  
20 to the same extent as such interest is permitted to be excluded from gross income  
21 under the Code as in effect on the date of issuance of the Bonds, including, but not  
22 limited to, the following:  
23

24 1. Private Activity Bond Limitation. The City will assure that the  
25 proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private  
26





1 business tests of Section 141(b) of the Code or the private loan financing test of  
2 Section 141(c) of the Code.

3           2. Limitations on Disposition of Project. The City will not sell or  
4 otherwise transfer or dispose of (i) any personal property components of the Project  
5 other than in the ordinary course of an established government program under  
6 Treasury Regulation 1.141-2(d)(4) or (ii) any real property components of the  
7 Project, unless it has received an opinion of nationally recognized bond counsel to  
8 the effect that such disposition will not adversely affect the treatment of interest on  
9 the Bonds as excludable from gross income for federal income tax purposes.  
10

11           3. Federal Guarantee Prohibition. The City will not take any action or  
12 permit or suffer any action to be taken if the result of such action would be to cause  
13 any of the Bonds to be "federally guaranteed" within the meaning of Section 149(b)  
14 of the Code.  
15

16           4. Rebate Requirement. The City will take any and all actions  
17 necessary to assure compliance with Section 148(f) of the Code, relating to the  
18 rebate of excess investment earnings, if any, to the federal government, to the  
19 extent that such section is applicable to the Bonds.  
20

21           5. No Arbitrage. The City will not take, or permit or suffer to be taken  
22 by the City or otherwise, any action with respect to the proceeds of the Bonds that,  
23 if such action had been reasonably expected to have been taken, or had been  
24 deliberately and intentionally taken, on the date of issuance of the Bonds would  
25 have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148  
26 of the Code.



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6. Registration Covenant. The City will maintain a system for recording the ownership of the Bonds that complies with the provisions of Section 149 of the Code until all the Bonds have been surrendered and canceled.

7. Record Retention. The City will retain its records of all accounting and monitoring it carries out with respect to the Bonds for at least three years after the Bonds mature or are redeemed (whichever is earlier); however, if the Bonds are redeemed and refunded, the City will retain its records of accounting and monitoring at least three years after the earlier of the maturity or redemption of the obligations that refunded the Bonds.

8. Compliance with Tax Certificate. The City will comply with the provisions of the Tax Certificate with respect to the Bonds, which are incorporated herein as if fully set forth herein. In the event of any conflict between this Section and the Tax Certificate, the provisions of the Tax Certificate will prevail.

9. Survival. The covenants of this Section will survive payment in full or defeasance of the Bonds.

Section 15. Interest Rate on Installments and Delinquent Payments. The interest rate on the installments of Assessments in LID No. 8645 shall be established by the Finance Director at a rate per annum equal to the interest rate for the Bonds plus 0.50 percent. Delinquent payments of Assessments shall bear a penalty of 12 percent on the assessment or installment and the interest thereon until sale of certificate of delinquency pursuant to Tacoma Municipal Code 10.04.110.



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Section 16. Lost, Stolen, or Destroyed Bonds. In case any Bonds are lost, stolen, or destroyed, the Bond Registrar may authenticate and deliver a new Bond or Bonds of like amount, date, and tenor to the Registered Owner thereof if the owner pays the expenses and charges for the Bond Registrar and the City in connection therewith and files with the Bond Registrar and the City evidence satisfactory to both that such Bond or Bonds were actually lost, stolen, or destroyed and of his or her ownership thereof, and furnishes the City and the Bond Registrar with indemnity satisfactory to both.

Section 17. Amendment to the LID Confirmation Ordinance. Ordinance No. 28605, confirming the final assessment roll for LID No. 8645, is amended to include the following Section 4:

Pursuant to RCW 35.49.020, any assessment against property levied by this ordinance may be paid during the 30-day period allowed for payment of assessments without penalty or interest and thereafter the sum remaining unpaid shall be paid in 28 equal annual principal payment installments, together with interest on the outstanding balance thereof.

Section 18. Severability; Ratification. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this



1 ordinance or of the Bonds. All acts taken pursuant to the authority granted in this  
2 ordinance but prior to its effective date are hereby ratified and confirmed.

3 Section 19. Effective Date of Ordinance. This ordinance shall take effect  
4 and be in force five days after its passage, approval, and publication as provided  
5 by law.

6 Passed \_\_\_\_\_

7  
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9  
10 \_\_\_\_\_  
Mayor

11 Attest:  
12  
13 \_\_\_\_\_  
City Clerk

14 Approved as to form:  
15 PACIFICA LAW GROUP LLP  
16  
17  
18 \_\_\_\_\_  
Bond Counsel

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EXHIBIT A  
Form of Bond

[DTC Language]  
UNITED STATES OF AMERICA

NO. \$ \_\_\_\_\_

STATE OF WASHINGTON  
CITY OF TACOMA  
LOCAL IMPROVEMENT DISTRICT NO. 8645 BOND, 2019

INTEREST RATE: \_\_\_\_\_ %  
ESTIMATED REDEMPTION DATE: \_\_\_\_\_  
REGISTERED OWNER: CEDE & CO.  
PRINCIPAL AMOUNT: \_\_\_\_\_ AND NO/100 DOLLARS

RCW 35.45.070 provides, in part, as follows:

Neither the holder nor owner of any bond, interest coupon, warrant, or other short-term obligation issued against a local improvement fund shall have any claim therefor against the city or town by which it is issued, except for payment from the special assessments made for the improvement for which the bond or warrant was issued and except also for payment from the local improvement guaranty fund of the city or town as to bonds issued after the creation of a local improvement guaranty fund of that city or town. The city or town shall not be liable to the holder or owner of any bond, interest coupon, warrant, or other short-term obligation for any loss to the local improvement guaranty fund occurring in the lawful operation thereof.

The City of Tacoma, Washington (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above from the City's Local Improvement District No. 8645 Bond Redemption Fund (the "Bond Fund") created by Ordinance No. \_\_\_\_\_ (the "Bond Ordinance"), the Principal Amount indicated above and to pay interest thereon from \_\_\_\_\_ on \_\_\_\_\_, 20\_\_\_\_, and on each \_\_\_\_\_ thereafter to maturity or earlier redemption (each, an "Interest Payment Date"). Both principal of and interest on this bond are payable in lawful money of the United States of America. The fiscal agency of the State of Washington has been appointed by the City as the authenticating agent, paying agent and registrar for the bonds of this issue (the "Bond Registrar"). For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository



1 Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the  
2 "Letter of Representations") from the City to DTC.

3 The bonds of this issue are issued under and in accordance with the  
4 provisions of the Constitution and applicable statutes of the State of Washington and  
5 Ordinance No. \_\_\_ duly passed by the City Council on \_\_\_\_\_, 2019 (the "Bond  
6 Ordinance"). Capitalized terms used in this bond have the meanings given such  
7 terms in the Bond Ordinance.

8 This bond is one of an authorized issue of bonds of like series, date, tenor,  
9 and date of maturity, except as to number, interest rate, estimated redemption date  
10 and amount in the aggregate principal amount of \$\_\_\_\_\_ and is issued pursuant  
11 to the Bond Ordinance to provide a portion of the funds necessary to (a) pay costs  
12 of improvements for Local Improvement District No. 8645, (b) to fund the Guaranty  
13 Fund, if any deposit is required, and (c) to pay costs of issuance for the Bonds.

14 The bonds of this issue may be redeemed prior to, on or after their estimated  
15 redemption date on any Interest Payment Date if sufficient assessment payments  
16 are available in the Bond Fund over and above the amount necessary to pay  
17 interest currently due on all outstanding bonds of this issue.

18 This bond is not a general obligation of the City. This bond is payable solely  
19 from the Bond Fund and from the City's Local Improvement Guaranty Fund. The  
20 City has irrevocably obligated and bound itself to pay into the Bond Fund all  
21 assessments levied within LID No. 8645 and received after the legal prepayment  
22 period or otherwise not collected on or before October 18, 2019 except as  
23 otherwise provided in the Bond Ordinance.

24 The City hereby covenants and agrees with the owner of this bond that it will  
25 keep and perform all the covenants of this bond and of the Bond Ordinance to be  
26 by it kept and performed. Reference is hereby made to the Bond Ordinance for the  
27 definitions of defined terms used herein. Reference to the Bond Ordinance and any  
28 and all modifications and amendments thereto is made for a description of the  
29 nature and extent of the security for this bond, the funds pledged, and the terms  
30 and conditions upon which this bond is issued.

31 This bond shall not be valid or become obligatory for any purpose or be  
32 entitled to any security or benefit under the Bond Ordinance until the Certificate of  
33 Authentication hereon shall have been manually signed by the Bond Registrar.

34 It is hereby certified that all acts, conditions and things required by the  
35 Constitution and statutes of the State of Washington to exist, to have happened,  
36 been done and performed precedent to and in the issuance of this bond exist, have  
37 happened, been done and performed and that the issuance of this bond does not



1 violate any constitutional, statutory or other limitation upon the amount of bonded  
2 indebtedness that the City may incur.

3 IN WITNESS WHEREOF, the City of Tacoma, Washington, has caused this  
4 bond to be executed by the manual or facsimile signature of the Mayor of the City,  
5 countersigned by the Finance Director, and attested by the manual or facsimile  
6 signature of the Clerk, as of this \_\_\_\_ day of \_\_\_\_\_, 2019.

7 [SEAL]

CITY OF TACOMA, WASHINGTON

8 By \_\_\_\_\_ /s/ \_\_\_\_\_  
9 Mayor

10 \_\_\_\_\_  
11 Finance Director

12 ATTEST

13 \_\_\_\_\_ /s/ \_\_\_\_\_  
14 City Clerk

15  
16  
17 **CERTIFICATE OF AUTHENTICATION**

18 Date of Authentication: \_\_\_\_\_  
19

20 This Bond is one of the bonds described in the within-mentioned Bond  
21 Ordinance and is one of the Local Improvement District No. 8645 Bonds, 2019 of  
22 the City of Tacoma, Washington, dated \_\_\_\_\_, 2019.

23 WASHINGTON STATE FISCAL AGENT,  
24 as Bond Registrar

25 By \_\_\_\_\_  
26



CERTIFICATE

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I, the undersigned, the Clerk of the City Council (“City Council”) of City of Tacoma, Washington (herein called the “City”), DO HEREBY CERTIFY:

1. That the attached ordinance numbered \_\_\_\_\_ (herein called the “Ordinance”) is a true and correct copy of an ordinance of the City, as finally adopted at a regular meeting of the City Council held on the [19th] day of [November], 2019, and duly recorded in my office.

2. That the meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the City Council was present throughout the meeting and a legally sufficient number of members of the City Council voted in the proper manner for the passage of said Ordinance; that all other requirements and proceedings incident to the proper adoption of said Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City as of this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
City Clerk  
City of Tacoma, Washington