

**SUBSTITUTE
RESOLUTION NO. 36260**



1 A RESOLUTION of the City Council of the City of Tacoma, Washington, approving
2 the sale of the City's Limited Tax General Obligation Bonds, 2004, in the
3 aggregate principal amount of \$51,900,000 to provide funds for the purpose
4 of refinancing costs of acquiring land for and constructing the City's new
5 regional convention center; and approving the sale of such bonds to First
6 Albany Capital Inc., all in accordance with Substitute Ordinance No. 27249
7 of the City.

8 WHEREAS the City Council by Substitute Ordinance No. 27249 passed
9 on June 29, 2004 (the "Bond Ordinance"), authorized the issuance and sale of
10 limited tax general obligation bonds of the City in the aggregate principal
11 amount of not to exceed \$51,900,000 (the "Bonds") for the purpose of
12 refinancing costs of acquiring land for and constructing the City's new regional
13 convention center, and

14 WHEREAS the Bond Ordinance authorized the City's Director of
15 Finance to conduct a competitive sale of the Bonds, subject to approval by
16 resolution of the City Council, and

17 WHEREAS, pursuant to the Bond Ordinance, a preliminary official
18 statement and a notice of sale in the form set forth at Exhibit A has been
19 prepared and distributed for the sale of the Bonds, and

20 WHEREAS, pursuant to the notice of sale, the City received 9 bids to
21 purchase the Bonds (copies of which are attached as Exhibit C hereto), and

22 WHEREAS the bid with the lowest true interest cost to the City is the bid
23 submitted by First Albany Capital Inc., and

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1 WHEREAS it is in the best interests of the City to sell the Bonds to First
2 Albany Capital Inc. on the terms and conditions set forth in the Bond
3 Ordinance, this resolution and the winning bid form, a copy of which is attached
4 as Exhibit B hereto, and

5 WHEREAS, in accordance with the Bond Ordinance, the Council wishes
6 to authorize and approve the sale of the Bonds and the final principal maturity
7 amounts, interest rates and redemption rights for the Bonds, all as set forth
8 herein, and

9 WHEREAS Section 16(C) of the Bond Ordinance permits the City to add
10 to the covenants set forth in the Bond Ordinance, and

11 WHEREAS in order to satisfy the requirements of the ratings agencies
12 and/or bond insurer, the City desires to confirm its commitment to use the City's
13 lodging taxes, currently levied in the total amount of 7%, to pay the principal of
14 and interest on the Bonds when due;

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

17 Section 1. Definitions. Except as otherwise defined herein, capitalized
18 terms used in this resolution have the meanings set forth in the Bond
19 Ordinance.
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21 Section 2. Authorization of Issuance and Sale Bonds. The issuance of
22 the Bonds, designated as the "City of Tacoma, Washington Limited Tax
23 General Obligation Bonds, 2004," in the aggregate principal amount of
24 \$51,900,000, dated as of their date of delivery, is hereby approved. The
25 interest rates and principal maturities thereof set forth in the bid of First Albany
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1 Capital Inc. attached as Exhibit B, are hereby approved, and the offer of First
2 Albany Capital Inc. to purchase the Bonds, as set forth in the bid attached as
3 Exhibit B, is hereby accepted. The Bonds shall conform in all other respects to
4 the terms and conditions set forth in the Bond Ordinance, except as expressly
5 provided herein.

6 Section 3. Redemption. The City reserves the right to redeem the
7 Bonds maturing on and after December 1, 2015, in whole or in part, on any
8 date on or after December 1, 2014, at par, plus accrued interest to the date of
9 redemption. If less than a whole of a maturity is called for redemption, the
10 Bonds to be redeemed shall be chosen by lot in integral multiples of \$5,000 by
11 the Bond Registrar or, so long as the Bonds are registered in the name of
12 CEDE & Co. or its registered assign, by DTC.

14 The Bonds maturing on December 1, 2030 shall be redeemed prior to
15 maturity by lot (or paid at maturity), not later than December 1 in the years 2027
16 through 2030 (to the extent such Bonds have not been previously redeemed or
17 purchased) and in the principal amounts set forth below, without premium,
18 together with the interest accrued to the date fixed for redemption.

20	Year	Amount
21	2027	\$2,270,000
22	2028	2,385,000
23	2029	2,510,000
24	2030	2,645,000

25 The Bonds maturing on December 1, 2034 shall be redeemed prior to
26 maturity by lot (or paid at maturity), not later than December 1 in the years 2031



1 through 2034 (to the extent such Bonds have not been previously redeemed or
2 purchased) and in the principal amounts set forth below, without premium,
3 together with the interest accrued to the date fixed for redemption.

4	Year	Amount
5	2031	\$2,780,000
6	2032	2,930,000
7	2033	3,085,000
8	2034	3,245,000

9 Section 4. Lodging Tax Covenant. The City hereby confirms and
10 pledges that all lodging tax levied by the City (including without limitation
11 lodging taxes levied pursuant to RCW 67.28.180 and 67.28.181) are pledged to
12 the payment of the principal of and interest on the Bonds when due. The City
13 covenants to levy such lodging taxes at the maximum rate permitted by law so
14 long as the Bonds remain outstanding.

15 Section 5. Further Authority. The City officials, their agents, and
16 representatives are hereby authorized and directed to do everything necessary
17 for the prompt issuance and delivery of the Bonds and for the proper use and
18 application of the proceeds of such sale.

19 Section 6. Severability. The covenants contained in this resolution shall
20 constitute a contract between the City and the owners of each and every Bond.
21 If any one or more of the covenants or agreements provided in this resolution to
22 be performed on the part of the City shall be declared by any court of
23 competent jurisdiction to be contrary to law, then such covenant or covenants,
24 agreement or agreements, shall be null and void and shall be deemed
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separable from the remaining covenants and agreements of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bonds.

Section 7. Effective Date. This resolution shall be effective after its passage as provided by law.

Passed July 27, 2004.

Chilli M. Borman
Mayor

Attest:

Doris Gorman
City Clerk

Approved as to form and legality:

PRESTON GATES & ELLIS LLP
Bond Counsel to the City of Tacoma

By Jay Reich

Attachment: Exhibit A – Notice of Sale
Exhibit B – Winning Bond Form
Exhibit C – All Bids Received

PASCISCOID



REQUEST FOR ORDINANCE OR RESOLUTION

CITY CLERK USE

Request #:	10116
Ordinance #:	
Resolution #:	36260

1. DATE: July 12, 2004

2. REQUESTING DEPARTMENT/DIVISION/PROGRAM Finance/Administration	3. CONTACT PERSON (for questions): Steven A. Marcotte	PHONE/EXTENSION 5802
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4. PREPARATION OF A RESOLUTION IS REQUESTED FOR THE CITY COUNCIL MEETING OF TUES., JULY 27, 2004

5. SUMMARY TITLE/RECOMMENDATION: (A concise sentence, as it will appear on the Council Agenda)

Approving the sale of the City's Limited Tax General Obligation Bonds, 2004 in the aggregate principal amount of \$51,900,000 to provide funds for the purpose of refinancing costs of acquiring land for and constructing the City's new regional convention Center.

(The resolution will be prepared by Preston Gates Ellis)

6. BACKGROUND INFORMATION/GENERAL DISCUSSION: (Why is this request necessary? Are there legal requirements? What are the viable alternatives? Who has been involved in the process?)

The Greater Tacoma Convention center will host state, regional and national conventions and is projected to bring in over 250,000 visitors annually into downtown Tacoma. The convention center will increase occupancy of area hotels and motels, increase customers for retail and service establishments and generate new civic and economic benefits for the citizens of Tacoma.

The City Council passed Ordinance Nos. 26675, 26830 and 26954 authorizing the City to proceed with Tax-Exempt and Taxable Commercial Paper which provided short-term financing for the Convention Center construction and downtown Tacoma parking facilities expansion project. Ordinance No. 26954 authorized the execution of a commitment letter with the Bank of America in the amount of \$120,700,000 for this project.

The City Council passed Substitute 2 to Ordinance No. 27248, Substitute Ordinance No. 27249 and Substitute Ordinance No. 27250 on June 29, 2004 relative to the long-term financing requirements for the Convention Center project.

7. FINANCIAL IMPACT: (Future impact on the budget.)

The LTGO bonds will be repaid primarily by hotel/motel tax dollars and the revenue bonds will be repaid primarily by Convention Center Public Facilities District sales-tax credit dollars.

8. LIST ALL MATERIAL AVAILABLE AS BACKUP INFORMATION FOR THE REQUEST AND INDICATE WHERE FILED:

Source Documents/Backup Material	Location of Document
Ordinance Nos. 26675, 26830 and 26954 "Draft" Summary Notice of Bond Sale Official Notice of Sale	City Clerk's Office City Clerk's Office City Clerk's Office

9. FUNDING SOURCE: (Enter amount of funding from each source)

Fund Number & Name:	State \$	City \$	Other	Total Amount
4165-CCCAP Convention Center Capital Projects Fund			\$51,900,000	\$51,900,000

If expenditure, is it budgeted? Yes No Where? Cost Center Acct #

10. ATTORNEY CONTACT: (Enter Name of Attorney that you've been working with)
Jay Reich and Steve Victor

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11. Department Director/Utility Division Approval 	Director of Finance Approval 	City Manager/Director Utilities Approval
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Resolution No. **36260** _____

Adopted: _____

Maker of Motion: _____

Seconded: _____

Roll Call Vote:

MEMBERS	AYES	NAYS	ABSTAIN	ABSENT
Ms. Anderson				
Mr. Evans				
Ms. Ladenburg				
Mr. Lonergan				
Mr. Manthou				
Mr. Phelps				
Mr. Stenger				
Mr. Talbert				
Mayor Baarsma				

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