



ORDINANCE NO. 28341

1 AN ORDINANCE relating to local improvement districts; establishing Consolidated
2 Local Improvement District No. 64 and Consolidated Local Improvement
3 District Fund No. 64; providing for the issuance, sale and delivery of the
4 Consolidated Local Improvement District No. 64 Bonds; fixing or setting
5 parameters with respect to certain terms and covenants of the bonds;
6 appointing the City's designated representative to approve the final terms of
7 the sale of the bonds; authorizing the sale and providing for the delivery of
8 the bonds to D.A. Davidson & Co. of Seattle, Washington; fixing the interest
9 rate on local improvement district assessment installments; and amending
10 the assessment confirmation ordinance for each of the local improvement
11 districts included in Consolidated Local Improvement District No. 64

12 WHEREAS the City Council of the City of Tacoma, Washington (the "City"),
13 has created Local Improvement Districts Nos. 3964 (Sanitary Sewer LID),
14 3966 (Sanitary Sewer LID), 5727 (Water LID), 5729 (Water LID), 6979 (Street
15 Lighting LID), 7723 (Tacoma Power LID), 7724 (Tacoma Power LID), 7725 (Tacoma
16 Power LID), 7729 (Tacoma Power LID), and 8648 (Roadway and Storm LID)
17 (collectively, the "LIDs"); and

18 WHEREAS RCW 35.45.160 authorizes the establishment of consolidated
19 local improvement districts for the purpose of issuing bonds only and provides that
20 if the governing body of any municipality orders the creation of a consolidated local
21 improvement district, the money received from the installment payment of the
22 principal of and interest on assessments levied within the original local
23 improvement districts shall be deposited in a consolidated local improvement
24 district bond redemption fund to be used to redeem outstanding consolidated local
25 improvement district bonds; Now, Therefore,
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BE IT ORDAINED BY THE CITY OF TACOMA:

1 Section 1. Definitions. As used in this ordinance, the following words shall
2 have the following meanings:

3 "Authorized Denomination" means \$5,000 or any integral multiple thereof,
4 except that one bond may be in any integral multiple of \$5,000 plus any other
5 amount less than \$5,000.
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7 "Bond Counsel" means Foster Pepper PLLC, of Seattle, Washington, its
8 successor, or other nationally recognized firm serving as bond counsel to the City.
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10 "Bond Fund" means the Consolidated Local Improvement Fund, District
11 No. 64 created in Section 3 of this ordinance.

12 "Bond Purchase Contract" means an agreement between the City and the
13 Purchaser providing for the purchase of the Bonds by the Purchaser.

14 "Bond Register" means the books or records maintained by the Bond
15 Registrar on which are recorded the names and mailing addresses of the
16 registered owners and the principal amount and number of each of the Bonds held
17 by each registered owner.
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19 "Bond Registrar" means the Fiscal Agent.

20 "Bonds" means the City's Consolidated Local Improvement District No. 64
21 Bonds authorized by this ordinance.
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23 "City" means the City of Tacoma, Washington, a municipal corporation duly
24 organized and existing under the laws of the State.

25 "City Council" means the governing body of the City, acting in its legislative
26 capacity.



1 "CLID 64" means the consolidated local improvement district to be known
2 and designated as Consolidated Local Improvement District No. 64 created in
3 Section 2 of this ordinance.

4 "Code" means the United States Internal Revenue Code of 1986, as
5 amended, and applicable rules and regulations promulgated thereunder.

6 "Designated Representative" means the Finance Director, or in the absence
7 of the Finance Director, the Treasurer, as the officer or employee of the City
8 appointed in Section 5 of this ordinance to serve as the City's designated
9 representative in accordance with RCW 39.46.040 for the purpose of accepting, on
10 behalf of the City, an offer to purchase the Bonds on terms consistent with this
11 ordinance and the parameters set forth herein.

12 "DTC" means The Depository Trust Company, New York, New York.

13 "Finance Director" means the City's Finance Director, or official acting in
14 such capacity.

15 "Fiscal Agent" means the fiscal agent of the State, or such other fiscal agent
16 designated by the City in accordance with State law.

17 "Issue Date" means the date of initial delivery of the Bonds to the
18 Purchaser.

19 "Letter of Representations" means the Blanket Issuer Letter of
20 Representations dated May 10, 1995, between the City and DTC, as it may be
21 amended from time to time.

22 "Local Improvement Districts" or "LIDs" means the following local
23 improvement districts: LID No. 3964 (Sanitary Sewer LID), LID No. 3966 (Sanitary
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1 Sewer LID), LID No. 5727 (Water LID), LID No. 5729 (Water LID), LID No. 6979
2 (Street Lighting LID), LID No. 7723 (Tacoma Power LID), LID No. 7724 (Tacoma
3 Power LID), LID No. 7725 (Tacoma Power LID), LID No. 7729 (Tacoma Power
4 LID), and LID No. 8648 (Roadway and Storm LID).

5 "Local Improvement Guaranty Fund" means the Local Improvement
6 Guaranty Fund of the City created by Ordinance No. 8414 as codified at Tacoma
7 Municipal Code Chapter 10.08.

8 "MSRB" means the Municipal Securities Rulemaking Board.

9 "Note" means the City's not to exceed \$13,500,000 Local Improvement
10 District Bond Anticipation Note (Revolving Line of Credit) dated as of June 23,
11 2015.

12 "Purchaser" means D.A. Davidson & Co. of Seattle, Washington, or such
13 other corporation, firm, association, partnership, trust, bank, financial institution or
14 other legal entity or group of entities selected by the Designated Representative to
15 serve as purchaser in a private placement, underwriter or placement agent in a
16 negotiated sale.

17 "Rating Agency" means any nationally recognized rating agency then
18 maintaining a rating on the Bonds at the request of the City.

19 "Rule 15c2-12" means Rule 15c2-12 promulgated by the SEC under the
20 Securities Exchange Act of 1934, as amended.

21 "SEC" means the United States Securities and Exchange Commission.

22 "State" means the State of Washington.



1 “Undertaking” means the undertaking to provide continuing disclosure set
2 forth in Section 19 of this ordinance.

3 Section 2. Consolidation of Local Improvement Districts. For the purpose
4 of issuing bonds only, those local improvement districts of the City established by
5 the various ordinances listed in Exhibit “A” attached hereto, the 30-day period for
6 making cash payment of assessments without interest in each local improvement
7 district having expired in the case of the assessments for each local improvement
8 district, are consolidated into a consolidated local improvement district to be known
9 and designated as Consolidated Local Improvement District No. 64 (“CLID 64”), as
10 described in Exhibit “A.”

11 Section 3. Bond Fund. There is created and established in the office of the
12 City Treasurer, for CLID 64, a special consolidated local improvement district fund
13 to be known and designated as the Consolidated Local Improvement Fund, District
14 No. 64 (the “Bond Fund”). All money presently on hand representing collections
15 pertaining to installments of assessments and interest thereon in each of the local
16 improvement districts described in Section 1 and listed in Exhibit “A” shall be
17 transferred to and deposited in the Bond Fund, and all collections pertaining to
18 assessments on the assessment rolls of those local improvement districts when
19 hereafter received shall be deposited in the Bond Fund to redeem outstanding
20 Bonds.

21 Section 4. Authorization of Bonds. The City is authorized to issue the
22 Bonds for the purpose of providing funds necessary to (i) finance the costs of
23 Bonds.

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1 carrying out improvements in the LIDs, including without limitation, repayment of
2 the Note; and (ii) pay the costs of issuance of the Bonds.

3 Section 5. Appointment of Designated Representative; Description of
4 Bonds. The Finance Director, or in the absence of the Finance Director, the
5 Treasurer, is appointed as the Designated Representative in accordance with
6 RCW 39.46.040(2). The Designated Representative is authorized and directed to
7 approve the terms and conditions of the Bonds, with such additional terms and
8 covenants as he or she deems advisable, with the following parameters:

9 (a) Principal Amount. The Bonds shall not exceed the total amount
10 on the assessment rolls of the LIDs remaining uncollected after the expiration of
11 the respective 30-day interest free prepayment periods for assessments on those
12 assessment rolls.

13 (b) Date or Dates. The Bonds shall be dated as of their date of
14 delivery to the Purchaser (the "Issue Date"), which date may not be later than
15 December 31, 2016.

16 (c) Denomination, Designation, Etc. The Bonds must be issued in
17 Authorized Denominations, except that one Bond may be in a different amount (as
18 determined by the Designated Representative). The Bonds shall be numbered
19 separately in the manner and shall bear any name and additional designation
20 (including CUSIP numbers) as deemed necessary or appropriate by the
21 Designated Representative.

22 (d) Interest Rate(s). The Bonds shall bear interest at fixed rates per
23 annum (computed on the basis of a 360-day year of twelve 30-day months) from
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1 their date or from the most recent interest payment date for which interest has
2 been paid or duly provided for, which ever is later. One or more rates of interest
3 may be fixed for the Bonds, provided that no rate of interest for any Bond may
4 exceed 5.75 percent, and the "all-in" true interest cost to the City for the Bonds
5 may not exceed 6.25 percent.

6 (e) Payment Dates. Interest must be payable at fixed rates annually
7 on such dates as are acceptable to the Designated Representative, commencing
8 no later than one year following the Issue Date.

9 (f) Final Maturity. The Bonds shall mature no later than the date that
10 is 22 years after the Issue Date.

11 (g) Redemption Rights. The Bonds shall be subject to redemption in
12 accordance with Section 8.

13 (h) Price. The purchase price for the Bonds may not be less than
14 97 percent or more than 101 percent of the stated principal amount of Bonds.

15 (i) General Authorization. The Designated Representative is also
16 authorized to take such additional action as may be necessary or convenient to
17 issue the Bonds pursuant to the terms of this ordinance.

18 Section 6. Registration and Transfer of Bonds. The Bonds shall be issued
19 only in registered form as to both principal and interest and shall be recorded on
20 the Bond Register. Bonds may be transferred only if endorsed in the manner
21 provided thereon and surrendered to the Bond Registrar. The transfer of a Bond
22 shall be by the Bond Registrar's receiving the Bond to be transferred, cancelling it
23 and issuing a new certificate in the form of the Bonds to the transferee after
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1 registering the name and address of the transferee on the Bond Register. The
2 new certificate shall bear the same Bond number as the transferred Bond but may
3 have a different inventory reference number or control number. Any exchange or
4 transfer shall be without cost to the owner or transferee. The Bond Registrar shall
5 not be obligated to exchange or transfer any Bond during the 15 days preceding
6 any principal payment or redemption date.

7 The Bonds initially shall be registered in the name of Cede & Co., as the
8 nominee of DTC. The Bonds so registered shall be held in fully immobilized form
9 by DTC as depository in accordance with the provisions of the Letter of
10 Representations. Neither the City nor the Bond Registrar shall have any
11 responsibility or obligation to DTC participants or the persons for whom they act as
12 nominees with respect to the Bonds regarding accuracy of any records maintained
13 by DTC or DTC participants of any amount in respect of principal of or interest on
14 the Bonds, or any notice which is permitted or required to be given to registered
15 owners hereunder (except such notice as is required to be given by the Bond
16 Registrar to DTC).

19 For as long as any Bonds are held in fully immobilized form, DTC, its
20 nominee or its successor depository shall be deemed to be the registered owner
21 for all purposes hereunder and all references to registered owners, bondowners,
22 bondholders or the like shall mean DTC or its nominee and shall not mean the
23 owners of any beneficial interests in the Bonds. Registered ownership of such
24 Bonds, or any portions thereof, may not thereafter be transferred except: (a) to
25 any successor of DTC or its nominee, if that successor shall be qualified under any
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1 applicable laws to provide the services proposed to be provided by it; (b) to any
2 substitute depository appointed by the City or such substitute depository's
3 successor; or (c) to any person if the Bonds are no longer held in immobilized
4 form.

5 Upon the resignation of DTC or its successor (or any substitute depository
6 or its successor) from its functions as depository, or a determination by the City
7 that it no longer wishes to continue the system of book entry transfers through DTC
8 or its successor (or any substitute depository or its successor), the City may
9 appoint a substitute depository. Any such substitute depository shall be qualified
10 under any applicable laws to provide the services proposed to be provided by it.
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12 If (i) DTC or its successor (or substitute depository or its successor) resigns
13 from its functions as depository, and no substitute depository can be obtained, or
14 (ii) the City determines that the Bonds are to be in certificated form, the ownership
15 of Bonds may be transferred to any person as provided herein and the Bonds no
16 longer shall be held in fully immobilized form.
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18 Section 7. Payment of Bonds. Both principal of and interest on the Bonds
19 shall be payable solely out of the Bond Fund or from the Local Improvement
20 Guaranty Fund of the City, and shall be payable in lawful money of the United
21 States of America. Interest on the Bonds shall be paid by checks or drafts mailed
22 to the registered owners on the interest payment date at the addresses appearing
23 on the Bond Register on the 15th day of the month preceding the interest payment
24 date or upon the written request of a registered owner of more than \$1,000,000 of
25 Bonds (received by the Bond Registrar at least 15 days prior to the applicable
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1 payment date), such payment shall be made by the Bond Registrar by wire transfer
2 to the account within the continental United States designated by the registered
3 owner. Principal of the Bonds shall be payable upon presentation and surrender of
4 the Bonds by the registered owners at the principal office of the Bond Registrar.

5 Notwithstanding the foregoing, for as long as the Bonds are registered in the
6 name of DTC or its nominee, payment of principal of and interest on the Bonds
7 shall be made in the manner set forth in the Letter of Representations.

8 Section 8. Redemption Provisions and Open Market Purchase of Bonds.

9 (a) Optional Redemption. The City reserves the right to prepay and
10 redeem the Bonds, in whole or in part, prior to their stated maturity on any date at
11 the redemption price of par plus accrued interest thereon to the redemption date as
12 set forth in the Bond Purchase Contract.

13 (b) Mandatory Redemption. The City shall call Bonds for redemption
14 on each interest payment date, which may be in order of an estimated redemption
15 schedule (if provided in the Bond Purchase Contract), whenever there shall be
16 sufficient money in the Bond Fund to pay the Bonds so called over and above the
17 amount required for the payment of the interest payable on that interest payment
18 date on all unpaid Bonds.

19 (c) Selection of Bonds for Redemption; Partial Redemption. All or a
20 portion of the principal amount of any Bond that is subject to optional redemption
21 may be redeemed in any Authorized Denomination. If less than all of the
22 outstanding principal amount of any Bond is redeemed, upon surrender of that
23 Bond to the Bond Registrar, there shall be issued to the registered owner, without
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1 charge, a new Bond (or Bonds, at the option of the registered owner) of the same
2 interest rate in any Authorized Denomination (or any Authorized Denomination plus
3 such amount as determined by the Designated Representative as provided in
4 Section 5(c)) in the aggregate principal amount remaining unredeemed. While a
5 Bond is held in book-entry form by DTC or its nominee, selection of the principal
6 portion of any Bond to be partially redeemed shall be done in accordance with the
7 Letter of Representations. If a Bond ceases to be held in book-entry form by DTC
8 or its nominee, the portion to be partially redeemed shall be selected randomly in
9 such manner as the Bond Registrar shall determine.
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11 (d) Notice of Redemption. While a Bond is held in book-entry form
12 by DTC or its nominee, notice of redemption shall be given as required in
13 accordance with the Letter of Representations, and the Bond Registrar shall not be
14 required to give any other notice of redemption. If a Bond ceases to be held in
15 book-entry form by DTC or its nominee, unless waived by the registered owner of
16 the Bond to be redeemed, the City shall cause notice of an intended redemption of
17 Bonds to be given by the Bond Registrar not less than 15 nor more than 30 days
18 prior to the date fixed for redemption by first-class mail, postage prepaid, to the
19 registered owner of each Bond to be redeemed at the address appearing on the
20 Bond Register at the time the Bond Registrar prepares the notice. The
21 requirements of the preceding sentence shall be satisfied when notice has been
22 mailed as so provided, whether or not it is actually received by an owner of any
23 Bond. In addition, the redemption notice shall be mailed or sent electronically
24 within the same period to the MSRB (if required under the Undertaking), to each
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1 Rating Agency, and to such other persons and with such additional information as
2 the Finance Director shall determine, but these additional mailings shall not be a
3 condition precedent to the redemption of a Bond.

4 (e) Rescission of Redemption. In the case of any optional
5 redemption, the notice of redemption may state that the City retains the right to
6 rescind the redemption notice and the redemption of those Bonds by giving a
7 notice of rescission to the affected registered owners at any time prior to the
8 scheduled optional redemption date. Any notice of redemption that is so rescinded
9 shall be of no effect, and a Bond for which a notice of redemption has been
10 rescinded shall remain outstanding.

11 (f) Effect of Redemption. Interest on Bonds called for redemption or
12 prepaid shall cease to accrue on the date fixed for redemption, unless the notice of
13 redemption is rescinded as set forth above.

14 (g) Open Market Purchase. The City reserves the right to purchase
15 any or all of the Bonds at any time at any price acceptable to the City plus accrued
16 interest to the date of purchase.

17 Section 9. Failure to Redeem Bonds. If any Bond is not redeemed when
18 properly presented at its maturity or call date, the City shall be obligated to pay
19 interest on that Bond at the same rate provided in the Bond from and after its
20 maturity or call date until that Bond, both principal and interest, is paid in full or until
21 sufficient money for its payment in full is on deposit in the Bond Fund and the Bond
22 has been called for payment.
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1 Section 10. Covenants. The City covenants that: (a) it will diligently
2 commence and pursue the collection of all delinquent assessments, which pursuit
3 shall include the immediate initiation of foreclosure proceedings on assessments of
4 properties in the LIDs consolidated herein which are delinquent; and (b) it will
5 maintain money or lawful investments from time to time in the City's Local
6 Improvement Guaranty Fund in an amount (based on current market values),
7 subject only to constitutional or statutory limitations, that shall be at least equal to
8 10 percent of the total principal amount of all obligations guaranteed by the City's
9 Local Improvement Guaranty Fund, plus accrued but unpaid interest thereon, and
10 less the total amount of money and lawful investments in the respective bond
11 funds for payment and redemption of all outstanding obligations guaranteed by the
12 City's Local Improvement Guaranty Fund.
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14 Section 11. Pledge of Assessment Payments. Assessments collected in
15 the LIDs, together with interest and penalties, if any, are pledged to the payment of
16 the Bonds which are payable solely out of the Bond Fund and the Local
17 Improvement Guaranty Fund of the City, all in the manner provided by law. The
18 Bonds are not general obligations of the City.
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20 Section 12. Form and Execution of Bonds. The Bonds shall be prepared in
21 a form consistent with the provisions of this ordinance and state law and shall be
22 signed by the Mayor and the City Clerk, either or both of whose signatures may be
23 manual or in facsimile, and the seal of the City or a facsimile reproduction thereof
24 shall be impressed or printed thereon.
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1 Only Bonds bearing a Certificate of Authentication in the following form,
2 manually signed by the Bond Registrar, shall be valid or obligatory for any purpose
3 or entitled to the benefits of this ordinance: "Certificate of Authentication. This
4 Bond is one of the fully registered City of Tacoma, Washington, Consolidated Local
5 Improvement District No. 64 Bonds, described in the Bond Ordinance." The
6 authorized signing of a Certificate of Authentication shall be conclusive evidence
7 that the Bond so authenticated has been duly executed, authenticated and
8 delivered and is entitled to the benefits of this ordinance.

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10 If any officer whose facsimile signature appears on the Bonds ceases to be
11 an officer of the City authorized to sign bonds before the Bonds bearing his or her
12 facsimile signature are authenticated or delivered by the Bond Registrar or issued
13 by the City, those Bonds nevertheless may be authenticated, issued, and delivered
14 and, when authenticated, issued, and delivered, shall be as binding on the City as
15 though that person had continued to be an officer of the City authorized to sign
16 bonds. Any Bond also may be signed on behalf of the City by any person who, on
17 the actual date of signing of the Bond, is an officer of the City authorized to sign
18 bonds, although he or she did not hold the required office on the date of issuance
19 of the Bond.
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22 Section 13. Bond Registrar. The Bond Registrar shall keep, or cause to be
23 kept, at its office, sufficient books for the registration, assignment or transfer of the
24 Bonds, which books shall be open to inspection by the City at all times. The Bond
25 Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds
26 transferred or exchanged in accordance with the provisions of the Bonds and this



1 ordinance, to serve as the City's paying agent for the Bonds and to carry out all of
2 the Bond Registrar's powers and duties under this ordinance and City Ordinance
3 No. 22999 establishing a system of registration for the City's bonds and
4 obligations.

5 The Bond Registrar shall be responsible for its representations contained in
6 the Bond Registrar's Certificates of Authentication on the Bonds.

7 Section 14. Preservation of Tax Exemption for Interest on Bonds. The City
8 covenants that it will take all actions necessary to prevent interest on the Bonds
9 from being included in gross income for federal income tax purposes, and it will
10 neither take any action nor make or permit any use of proceeds of the Bonds or
11 other funds of the City treated as proceeds of the Bonds at any time during the
12 term of the Bonds which will cause interest on the Bonds to be included in gross
13 income for federal income tax purposes. The City also covenants that it will, to the
14 extent the arbitrage rebate requirement of Section 148 of the Code, is applicable to
15 the Bonds, take all actions necessary to comply (or to be treated as having
16 complied) with that requirement in connection with the Bonds, including the
17 calculation and payment of any penalties that the City has elected to pay as an
18 alternative to calculating rebatable arbitrage, and the payment of any other
19 penalties if required under Section 148 of the Code to prevent interest on the
20 Bonds from being included in gross income for federal income tax purposes.
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24 Section 15. Use of Bond Proceeds. Proceeds of the Bonds shall be used
25 to finance the costs of carrying out improvements in the LIDs, including without
26 limitation repayment of all or a part of amounts outstanding under the Note, and to



1 pay the costs of issuance of the Bonds. Until needed to pay those costs, the City
2 may invest principal proceeds temporarily in any legal investment, and the
3 investment earnings may be retained in the respective local improvement district
4 funds or accounts therein and be spent for the purposes of those funds, and
5 earnings subject to a federal tax or rebate requirement may be used for those tax
6 or rebate purposes.

7 Proceeds of the Bonds that are not used for the purposes authorized in
8 Section 4 shall be deposited in the Bond Fund and used to redeem outstanding
9 Bonds on the next interest payment date.

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11 Section 16. Sale and Delivery of the Bonds.

12 (a) Manner of Sale of Bonds; Delivery of Bonds. The Designated
13 Representative is authorized to sell the Bonds by negotiated sale or private
14 placement based on the assessment of the Designated Representative of market
15 conditions, in consultation with appropriate City officials and staff, Bond Counsel
16 and other advisors. In determining the method of sale of the Bonds and accepting
17 the final terms of the Bonds, the Designated Representative shall take into account
18 those factors that, in the judgment of the Designated Representative, may be
19 expected to result in the lowest true interest cost to the City.
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21 (b) Procedure for Negotiated Sale or Private Placement. If the
22 Designated Representative determines that the Bonds are to be sold by negotiated
23 sale or private placement, the Designated Representative shall select one or more
24 Purchasers with which to negotiate such sale. The Bond Purchase Contract for
25 the Bonds shall set forth the final terms of the Bonds. The Designated
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1 Representative is authorized to execute the Bond Purchase Contract on behalf of
2 the City, so long as the terms provided therein are consistent with the terms of this
3 ordinance.

4 (c) Preparation, Execution and Delivery of the Bonds. The Bonds
5 will be prepared at City expense and will be delivered to the Purchaser in
6 accordance with the Bond Purchase Contract, with the approving legal opinion of
7 Bond Counsel regarding the Bonds.

8 Section 17. General Authorization. The Finance Director and other proper
9 City officials are authorized and directed to do everything necessary for the prompt
10 delivery of the Bonds to the Purchaser, including without limitation the execution of
11 the Official Statement on behalf of the City, and for the proper application and use
12 of the proceeds of the sale thereof.

13 Section 18. Official Statement.

14 (a) Preliminary Official Statement Deemed Final. The City Council
15 authorizes the Designated Representative to review and if acceptable to him or
16 her, approve a preliminary official statement in connection with the offering of the
17 Bonds to the public. For the sole purpose of the Purchaser's compliance with
18 paragraph (b)(1) of Rule 15c2-12, if applicable, the Designated Representative is
19 authorized to "deem final" such preliminary official statement as of its date, except
20 for the omission of information permitted to be omitted by Rule 15c2-12.
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23 (b) Approval of Final Official Statement. In addition, the City
24 authorizes and approves the preparation, execution by the Designated
25 Representative and delivery to the Purchaser of a final official statement for the
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1 Bonds, in the form of the preliminary official statement, with such modifications and
2 amendments thereto as shall be deemed necessary or desirable by the City.

3 The City authorizes the Designated Representative to approve the
4 distribution by the Purchaser of the preliminary official statement and the final
5 official statement to potential purchasers and purchasers of the Bonds. The City
6 agrees to cooperate with the Purchaser to deliver or cause to be delivered, within
7 seven business days from the date of the sale of the Bonds and in sufficient time to
8 accompany any confirmation that requests payment from any customer of the
9 Purchaser, copies of a final official statement in sufficient quantity to comply with
10 Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.
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12 Section 19. Undertaking to Provide Continuing Disclosure. If necessary to
13 meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a
14 participating underwriter for the Bonds, the City makes the following written
15 Undertaking for the benefit of holders of the Bonds:
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17 (a) Undertaking to Provide Annual Financial Information and Notice
18 of Listed Events. The City undertakes to provide or cause to be provided, either
19 directly or through a designated agent, to the MSRB, in an electronic format as
20 prescribed by the MSRB, accompanied by identifying information as prescribed by
21 the MSRB:
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23 (i) Annual financial information and operating data of the type
24 included in the final official statement for the Bonds and described in subsection (b)
25 of this section (“annual financial information”);
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(ii) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City, as such “Bankruptcy Events” are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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1 (iii) Timely notice of a failure by the City to provide required
2 annual financial information on or before the date specified in subsection (b) of this
3 section.

4 (b) Type of Annual Financial Information Undertaken to be Provided.

5 The annual financial information that the City undertakes to provide in
6 subsection (a) of this section:

7 (i) Shall consist of (1) annual financial statements prepared
8 (except as noted in the financial statements) in accordance with generally
9 accepted accounting principles applicable to State local governmental units such
10 as the City, as such principles may be changed from time to time, which
11 statements shall not be audited, except, however, that if and when audited
12 financial statements are otherwise prepared and available to the City they will be
13 provided; (2) a statement of the outstanding balance of obligations secured by the
14 Local Improvement Guaranty Fund; (3) the balance of cash and investments
15 (based on market value) in the Local Improvement Guaranty Fund at fiscal year
16 end; and (4) a statement of the amount of assessments that the City billed in that
17 fiscal year, and the amount collected for all LIDs secured by the Local
18 Improvement Guaranty Fund;

19 (ii) Shall be provided not later than the last day of the ninth
20 month after the end of each fiscal year of the City (currently, a fiscal year ending
21 December 31), as such fiscal year may be changed as required or permitted by
22 State law, commencing with the City's fiscal year ending December 31, 2015; and
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1 (iii) May be provided in a single or multiple documents, and
2 may be incorporated by specific reference to documents available to the public on
3 the Internet website of the MSRB or filed with the SEC.

4 (c) Amendment of Undertaking. The Undertaking is subject to
5 amendment after the primary offering of the Bonds without the consent of any
6 holder of any Bond, or of any broker, dealer, municipal securities dealer,
7 participating underwriter, rating agency or the MSRB, under the circumstances and
8 in the manner permitted by Rule 15c2-12. The City will give notice to the MSRB of
9 the substance (or provide a copy) of any amendment to the Undertaking and a
10 brief statement of the reasons for the amendment. If the amendment changes the
11 type of annual financial information to be provided, the annual financial information
12 containing the amended financial information will include a narrative explanation of
13 the effect of that change on the type of information to be provided.

14 (d) Beneficiaries. The Undertaking evidenced by this section shall
15 inure to the benefit of the City and any beneficial owner of Bonds, and shall not
16 inure to the benefit of or create any rights in any other person.

17 (e) Termination of Undertaking. The City's obligations under this
18 Undertaking shall terminate upon the legal defeasance of all of the Bonds. In
19 addition, the City's obligations under this Undertaking shall terminate if those
20 provisions of Rule 15c2-12 which require the City to comply with this Undertaking
21 become legally inapplicable in respect of the Bonds for any reason, as confirmed
22 by an opinion of nationally recognized bond counsel or other counsel familiar with
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1 federal securities laws delivered to the City, and the City provides timely notice of
2 such termination to the MSRB.

3 (f) Remedy for Failure to Comply with Undertaking. As soon as
4 practicable after the City learns of any failure to comply with the Undertaking, the
5 City will proceed with due diligence to cause such noncompliance to be corrected.
6 No failure by the City or other obligated person to comply with the Undertaking
7 shall constitute a default in respect of the Bonds. The sole remedy of any
8 beneficial owner of a Bond shall be to take such actions as that beneficial owner
9 deems necessary, including seeking an order of specific performance from an
10 appropriate court, to compel the City or other obligated person to comply with the
11 Undertaking.
12

13 (g) Designation of Official Responsible to Administer Undertaking.
14 The Finance Director (or such other officer of the City who may in the future
15 perform the duties of that office) or his or her designee is authorized and directed
16 in his or her discretion to take such further actions as may be necessary,
17 appropriate or convenient to carry out the Undertaking of the City in respect of the
18 Bonds set forth in this section and in accordance with Rule 15c2-12, including,
19 without limitation, the following actions:
20

21 (i) Preparing and filing the annual financial information
22 undertaken to be provided;

23 (ii) Determining whether any event specified in subsection (a)
24 has occurred, assessing its materiality, where necessary, with respect to the
25 Bonds, and preparing and disseminating any required notice of its occurrence;
26



1 (iii) Determining whether any person other than the City is an
2 “obligated person” within the meaning of Rule 15c2-12 with respect to the Bonds,
3 and obtaining from such person an undertaking to provide any annual financial
4 information and notice of listed events for that person in accordance with Rule
5 15c2-12;

6 (iv) Selecting, engaging and compensating designated agents
7 and consultants, including but not limited to financial advisors and legal counsel, to
8 assist and advise the City in carrying out the Undertaking; and

9 (v) Effecting any necessary amendment of the Undertaking.

10 Section 20. Fixing Interest Rate on Assessments. The interest rates on the
11 installments and delinquent payments of the special assessments in the LIDs are
12 revised and will be fixed at the rate of not to exceed 5.25 percent for LID
13 Nos. 3964, 5729, 6979 and 7729, and at the rate of not to exceed 6.50 percent for
14 LID Nos. 3966, 5727, 7723, 7724, 7725 and 8648 as set forth in the Bond
15 Purchase Contract.
16

17 Section 21. Amendments to the LID Confirmation Ordinances. Ordinance
18 Nos. 28090, 28243, 28244, 28174, 28299, 28206, 28175, 28245, 28176 and
19 28312 confirming the final assessment rolls for LID Nos. 3964, 3966, 5727, 5729,
20 6979, 7723, 7724, 7725, 7729 and 8648, respectively, are each amended to
21 include the following Section 3:
22

23 Pursuant to RCW 35.49.020, any assessment against property levied by
24 this ordinance may be paid during the thirty day period allowed for the payment of
25 assessments without penalty or interest and thereafter the sum remaining unpaid
26



1 shall be paid in ten equal annual principal installments for LID Nos. 3964, 5729,
2 6979 and 7729 and in 20 equal annual principal installments for LID Nos. 3966,
3 5727, 7723, 7724, 7725 and 8648, together with interest on the outstanding
4 balance thereof.

5 Section 22. Severability. The provisions of this ordinance are declared to
6 be separate and severable. If a court of competent jurisdiction, all appeals having
7 been exhausted or all appeal periods having run, finds any provision of this
8 ordinance to be invalid or unenforceable as to any person or circumstance, such
9 offending provision shall, if feasible, be deemed to be modified to be within the
10 limits of enforceability or validity. However, if the offending provision cannot be so
11 modified, it shall be null and void with respect to the particular person or
12 circumstance, and all other provisions of this ordinance in all other respects, and
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the offending provision with respect to all other persons and all other
circumstances, shall remain valid and enforceable.

Section 23. Effective Date of Ordinance. This ordinance shall take effect
immediately upon publication.

Passed: _____

Mayor

Attest:

City Clerk

Approved as to form and legality:

FOSTER PEPPER PLLC
Bond Counsel to the City of Tacoma

By _____



EXHIBIT A

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Local Improvement
District No.

Created by
Ordinance No.

3964	27509
3966	27652
5727	27653
5729	27992
6979	27654
7723	27236
7724	27709
7725	27655
7729	27993
8648	27656



CLERK'S CERTIFICATE

1 I, the undersigned, the duly chosen, qualified City Clerk of the City of
2 Tacoma, Washington, and keeper of the records of the City Council (herein called
3 the "Council"), DO HEREBY CERTIFY:
4

5 1. That the attached Ordinance No. _____ (herein called the "Ordinance")
6 is a true and correct copy of an Ordinance of the Council, as finally passed at a
7 regular meeting of the Council held on the 12th day of January, 2016, and duly
8 recorded in my office.
9

10 2. That said meeting was duly convened and held in all respects in
11 accordance with law, and to the extent required by law, due and proper notice of
12 such meeting was given; that a legal quorum was present throughout the meeting
13 and a legally sufficient number of members of the Council voted in the proper
14 manner for the passage of said Ordinance; that all other requirements and
15 proceedings incident to the proper adoption of said Ordinance have been duly
16 fulfilled, carried out and otherwise observed, and that I am authorized to execute
17 this certificate.
18

19 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the
20 official seal of the City as of this ____ day of _____, 2016.
21
22

23 _____
24 City Clerk
25 City of Tacoma, Washington
26