



## RESOLUTION NO. U-11270

1 A RESOLUTION relating to Tacoma Power; approving a Supplemental Ordinance;  
2 authorizing the extension of and amendments to the City's Electric System  
3 Subordinate Revenue Note, Series 2020 (Taxable); authorizing an  
4 amendment to the related Note Purchase Agreement; delegating the  
5 authority to approve the final terms of the amendment; and approving other  
6 matters related thereto.

7 WHEREAS pursuant to Ordinance No. 28295 adopted on April 21, 2015, as  
8 amended (the "Master Subordinate Ordinance"), and Ordinance No. 28669 adopted  
9 on May 5, 2020 (the "First Subordinate Ordinance"), the City of Tacoma,  
10 Washington (the "City"), acting through its Department of Public Utilities, Light  
11 Division (d/b/a "Tacoma Power") issued its Electric System Subordinate Revenue  
12 Note, Series 2020 (Taxable), to evidence a revolving line of credit in the principal  
13 amount of not to exceed \$100,000,000 outstanding at any time (the "2020 Note"),  
14 and

15 WHEREAS the 2020 Note was sold to and purchased by KeyBank National  
16 Association ("KeyBank") by private sale pursuant to the terms of the Note  
17 Purchase Agreement dated May 21, 2020 (the "Original Note Purchase  
18 Agreement"), between KeyBank and the City, acting by and through its Public  
19 Utilities Board (the "Board"), and

20 WHEREAS implementation of the 2020 Note and the Original Note  
21 Purchase Agreement has provided liquidity and financial sustainability and  
22 increased Tacoma Power's fiscal position, all of which are consistent with City  
23 policy and fundamental to sound long range planning and government  
24 performance, and  
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1           WHEREAS the Board hereby finds that it would be beneficial for Tacoma  
2 Power to extend the expiration date of the 2020 Note and to decrease the  
3 aggregate principal amount available under the 2020 Note of not to exceed  
4 \$100,000,000 to not to exceed \$50,000,000 outstanding at any time to be more  
5 aligned with the current financial needs of Tacoma Power, and  
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7           WHEREAS KeyBank has offered to provide Tacoma Power the option of  
8 converting a portion of the revolving line of credit represented by the 2020 Note to  
9 a letter of credit in the event that such form of credit facility is needed to satisfy  
10 certain collateral obligations of Tacoma Power under its power purchase and other  
11 agreements, and Tacoma Power finds this option to be beneficial to its operations,  
12 and  
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14           WHEREAS to extend the expiration date, provide for the option to convert a  
15 portion of the line of credit represented by the 2020 Note to a letter of credit, and  
16 decrease the available principal amount of the credit facility in all forms to  
17 \$50,000,000 outstanding at any time, Tacoma Power has requested and KeyBank  
18 has agreed to enter into an amendment to the Original Note Purchase Agreement  
19 (the "First Amendment" and together with the Original Note Purchase Agreement,  
20 as it may be further amended, the "Note Purchase Agreement"), and  
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23           WHEREAS pursuant to Tacoma City Charter Section 4.11, the Board is  
24 required to initiate and approve all matters related to the incurrence of  
25 indebtedness and the issuance of bonds on behalf of Tacoma Power, and then  
26 forward such matters to the Council of the City for concurring approval, and



1           WHEREAS the form of authorizing ordinance (the "Supplemental  
2 Ordinance") has been presented to the Board and a copy of such document is on  
3 file with the Clerk of the Board, and  
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5           WHEREAS the Board hereby recommends to the Council of the City that it  
6 is in the best interest of the citizens of Tacoma that the Supplemental Ordinance  
7 be approved by the Board and passed by the Council of the City to accomplish the  
8 purposes set forth therein; Now, Therefore,  
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10 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

11           Sec. 1. Subject to the parameters set forth in Section 2 of this resolution,  
12 the request to extend the term, to provide for the option to convert a portion of the  
13 line of credit represented by the 2020 Note to a letter of credit, and decrease the  
14 available principal amount of the credit facility in all forms to \$50,000,000, is  
15 hereby approved.  
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17           Sec. 2. The Board requests that the City Council delegate to the Director of  
18 Utilities and the Tacoma Power Superintendent, or their designees (each, a  
19 "Designated Representative") for a limited time the authority to approve the terms  
20 of the First Amendment, so long as:  
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22           (a) The available principal amount of the 2020 Note that may be  
23 outstanding at any time does not exceed \$50,000,000 (reduced from  
24 \$100,000,000);

25           (b) The final maturity of the 2020 Note is no later than December 1,  
26 2024; and



1 (c) The interest rate on draws on the line of credit represented by the  
2 2020 Note does not exceed a variable rate equal to the one-month LIBOR rate  
3 (subject to one-month LIBOR being a minimum of 0 basis points) plus 50 basis  
4 points for funds used, and 20 basis points for funds not drawn under the Note  
5 Purchase Agreement, as such terms may be adjusted under the Note Purchase  
6 Agreement; provided, that the 2020 Note may be subject to a standby letter of  
7 credit fee of not to exceed 125 basis points and an issuance fee of not to exceed  
8 \$200 for the portion, if any, of the 2020 Note converted to a letter of credit in  
9 accordance with the Note Purchase Agreement, and to a default rate upon the  
10 occurrence and continuation of an Event of Default as provided for in the Note  
11 Purchase Agreement.  
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14 Sec. 3. The terms and conditions of the proposed Supplemental Ordinance  
15 and the treatment of the amended and extended 2020 Note are hereby approved,  
16 and the Council of the City is requested to concur in this approval by the passage  
17 of the same at the earliest opportunity in the final form approved by the City  
18 Attorney.  
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20 Upon passage of the Supplemental Ordinance, each Designated  
21 Representative is delegated authority to approve the final terms and conditions of  
22 the First Amendment in coordination with Bond Counsel, the Municipal Advisor and  
23 the City Attorney's Office subject to the terms set forth herein and in the  
24 Supplemental Ordinance, and to execute and implement the First Amendment  
25 (including the payment of any financing costs associated with the delivery of the  
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First Amendment) and any other certificates or other documents in connection therewith. Furthermore, each Borrower Representative (as defined in the Supplemental Ordinance) is authorized to take all actions necessary to administer and implement the amended and extended 2020 Note and the Note Purchase Agreement, including but not limited to submitting requests for draws thereunder.

Sec. 4. This resolution shall become effective immediately upon its adoption.

Approved as to form and legality:

*Paul R. Patterson*

Chair

*Carlos Watson*

Secretary

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Pacifica Law Group LLP,  
Bond Counsel

*Charleen Jacoby*  
\_\_\_\_\_  
Clerk

Adopted 7-14-21