

TO: FROM:	Elizabeth Pauli, City Manager Michael San Soucie, Finance Manager, City Treasurer's Office Andy Cherullo, Finance Director
COPY:	City Council and City Clerk
SUBJECT:	Ordinance for the issuance of Local Improvement District Number 8645 Bonds, 2019
DATE:	November 20, 2019

# **SUMMARY:**

This Ordinance (the "Ordinance") provides for the issuance of the Local Improvement District ("LID") No. 8645 Bonds, 2019, (commonly referred to as the "Broadway LID") to provide permanent financing for the construction of permanent pavement, reconstruction, repair, renewal of sidewalks and landscaping, including but not limited to the renewing of shade and ornamental trees and shrubbery, and the construction of surface water, wastewater and water main utility replacements, together with limited maintenance of the landscaping and to pay the costs of issuing the bonds.

The LID bonds will be issued in a principal amount not to exceed \$4,695,721.92 which amount will represent not more than the total outstanding amount on the assessment rolls of the LID after the expiration of the interest free prepayment period.

## **STRATEGIC POLICY PRIORITY:**

- Cultivate a vibrant cultural sector that fosters a creative, cohesive community.
- Assure outstanding stewardship of the natural and built environment.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

### **BACKGROUND:**

LID No. 8645 (the Broadway LID) includes improvements over approximately 17.74 acres within downtown Tacoma and consists of the construction of permanent pavement, reconstruction, repair, renewal of sidewalks and landscaping, including but not limited to the renewing of shade and ornamental trees and shrubbery, and the construction of surface water, wastewater and water main utility replacements, together with limited maintenance of the landscaping.

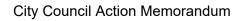
The bonds will be repaid through the collection of installments and interest thereon within the local improvement district over a 28-year period.

It is currently anticipated that the LID bonds will be sold to investors on or about December 10, 2019, with closing anticipated on December 19, 2019.

### **ISSUE:**

**Security/Pledge of Revenues:** The LID bonds will be repaid through the collection of assessments and interest thereon within the local improvement district. The LID bonds will be further secured by a continuing claim and charge against the City's Guaranty Fund. The Guaranty Fund was established to satisfy payment on LID bonds in the absence of assessment payments sufficient to make debt service on the bonds when due and payable. The LID bonds are not general obligations of the City of Tacoma.

**Delegation**: The authorizing ordinance delegates authority to the Finance Director, Treasurer, Assistant Finance Director or his or her designee to approve the terms and conditions of the bonds, within the parameters outlined in the ordinance.





City of Tacoma

## **ALTERNATIVES:**

- 1. The City could approve the ordinance authorizing the issuance of the LID 8645 bonds.
- 2. The City could choose not to authorize the issuance of the bonds. This is not the recommended alternative as this would not provide for the permanent financing of the improvements within the LID.

## **RECOMMENDATION:**

We recommend approval of the ordinance authorizing the issuance of the LID 8645 bonds.

## **FISCAL IMPACT:**

The LID bonds will be repaid through the collection of assessments and interest thereon within the local improvement district. The LID bonds will be further secured by a continuing claim and charge against the City's Guaranty Fund. The LID bonds are not general obligations of the City of Tacoma.

# FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: N/A

## ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? N/A

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A