



Legislation Details (With Text)

File #: ORD-23412 **Version:** 1 **Name:** Local Improvement Districts
Type: Ordinance **Status:** Passed
File created: 6/11/1985 **In control:** City Council
On agenda: 6/11/1985 **Final action:** 6/11/1985
Title: Ordinance No. 23412
Sponsors:
Indexes:
Code sections:
Attachments: 1. ORD-23412

Date	Ver.	Action By	Action	Result
I			ORDINANCE NO. 2-e*3412,	
2			AN ORDINANCE relating to local improvement districts and authorizing the	
3			Finance Director to contract for interim financing of costs and	
			expenses of such districts pending the issuance of bonds.	
4			WHEREAS it is desirable to provide by general ordinance authority	
5			for the Finance Director of the City of Tacoma, Washington (the "City") to	
6			contract for interim financing of the costs and expense of local improve-	
7			ment districts of the City pending the issuance of bonds, all pursuant to	
g			Chapter 39.50 RCW; Now, Therefore,	
9			BE IT ORDAINED BY THE CITY OF TACOMA:	
10			Section 1. That the Finance Director is authorized to negotiate	
11			and enter into contracts for the sale of warrants, installment notes, bond	
12			anticipation notes, or other short-term obligations &s authorized by Chap-	
13			ter 39.50 RCW, up to the maximum of the then estimated costs and expense	
i4			of each local improvement district. Unless otherwise provided by an ordi-	
15			nance relating to a specific local improvement district, such obligations	
16			may bear a fixed rate or rates or a variable rate or rates of interest	
17			which may be based on a bank prime or the most recent prime rate of inter-	
18			est published in the Wall Street Journal, but in any event shall not ex-	
19			ceed a net effective interest rate of twelve percent (12%) per annum.	
20			Such short-term obligations shall be dated as of the date of their issu-	
21			ance and shall not be outstanding, together with any other short-term ob-	
22			ligations issued to redeem the same, for longer than the time permitted by	

23 Chapter 39.50 RCW. Such short-term obligations shall be registered in
24 accordance with Ordinance No. 22999, as it may be amended, if so required
25 in order to exempt the interest thereon from federal income taxation; the
26 Finance Director may designate which short-term obligations are those de-

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I scribed in Section 3(d) of Ordinance No. 22999 as "obligations not usually
2 subject to trading."

3 The short-term obligations may be paid from the proceeds of local
4 improvement district bonds or consolidated local improvement bonds, from
5 assessment payments, from the proceeds of the issuance of other short-term
6 obligations, or from other City funds made available for that purpose.

7 The short-term obligations shall be drawn on the local improvement fund
a created for the applicable local improvement district, and unless other-
9 wise permitted by law, shall be payable solely out of that fund or the
10 Local Improvement Guaranty Fund of the City.

11 The short-term obligations may be subject to prior redemption,
12 may be sold at a discount, at par, or at a premium, and shall be in such
13 denominations and bear such other covenants respecting payment as the
14 Finance Director may determine. Both principal of and interest on the
15 short-term obligations shall be payable in lawful money of the United
16 States of America at the office or officers of the registrar.

17 Section 2. The City Council finds and determines that the maxi-
18 mum rate of interest and the standards for the index for the variable in-
19 terest rates established in this ordinance are in the best interest of the
20 City.

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22 Passed JUN 11 1985

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BLUE legal Department	'Fj)	REQUEST for ORDINANCE	CITY CLERK'S OFFICE
PINK - - - -Finance Dept.			
GOLDENROD -Departmental	01y		
of -%CWN	or RESOLUTION	NO. CIO	

INSTRUCTIONS: File request in the City Manager's Office no later than 5:00 p.m. FRIDAY, eleven days prior to the Council Meeting at which it is to be introduced. List facts necessary for the City Attorney's use in preparation of ordinance or resolution. Attach all material pertinent to the subject. NOTE: All appropriation requests must be cleared and approved by the Director of Finance or Controller before submitting to City Manager or Director of Public Utilities. (See Section 2). Departments must complete all paragraphs except 2 and 3. (If necessary, refer to Guide 15.2 (LEG 210) Subject: Departmental Request for Ordinance or Resolution). 2,474 -f -@,

DATE	REQUEST MADE BY (Name and Number)	DEPARTMENT/DIVISION	PROGRAM
May 22, 1985	David H. Dow -111,12		
	Approved 7@to j,v @a.@i l J 2 . __ @of	rids	
David	d XT	Director of Finance	City Manager

4. PREPARATION OF AN ORDINANCE 7JD5rgV= (indicate which) is #wESTED FOR THE CITY COUNCIL MEETING OF TUESDAY June 4, 1985 T 0:

Authorize the Finance Director to issue and sell bond anticipation notesp warrants or installment notes when those short-term obligations have been otherwise authorized by an ordinance creating a Local Improvement District (1,ID). Such short-term obligations shall not be outstanding for longer than permitted by Chapter 39.50 RCW nor shall they exceed a net effective interest rate of 12% per annum.

5. BACKGROUND INFORMATION (Why is Request necessary?)

Currently, LID construction financing is obtained through the issuance of interest bearing warrants. This ordinance will add the additional financing 'Method of bond anticipation notes (BAN's). BAN's will be competitively bid and the bidder providing the lowest and best net interest cost will be awarded the BAN. Funds from the issuance of the interim financing will be used to pay the construction cost of individual LID projects. Each LID project must have the prior approval of the City Council before BAN bids are solicited and awarded. The addition of BAN financing is anticipated to reduce the financing costs of LID's and thereby result in lower property owner LID assessments.

6. FUNDING SOURCE: (Enter Amount of Funding from each source)

Federal \$.	State \$.	City \$.	Other	Total Amount \$		
Funding for the proposed legislation is found in the				-budget, Division		
Page	Fund Number & Name			LID Property Assessments	EI	N/A
L	ADM 019 (4/78)		(OVER)			
	act Compliance	Approved	Not Approved	Delay Recommended	N%)t Applicable	
	(b) Contr			Fx		

COMMENTS:

(If needed, see Guide No. 3.1 (LEG 210), Subject: Affirmative Action and Contract Compliance.)

8. STATUS: Fx@ NEW LEGISLATION AMENDING LEGISLATION
Legislation amends Res/Ord. Section Chapter

9. SALIENT COMMENTS: List or identify significant information or exceptions that could be meaningful in processing this legislation.

Authorize the Finance Director to issue Bond Anticipation Notes (BAN's) or other short-term obligations as authorized by Chapter 39.50 RCW in addition to current interest bearing warrants for the purpose of financing the construction costs of Council approved Local Improvement District projects.

10. ESTIMATED TIME REQUIRED, AFTER LEGISLATION, TO IMPLEMENT PROJECT Three month,-, F1 N/A

11. ENVIRONMENTAL ASSESSMENT:
F-1 Non-Action F-1 Exempt r_1 Declaration of Non-Significance EIS
COMMENTS:

(If needed, see Guide No. 43 (ADM 1600), Subject: Environmental (SEPA) Public Information Center.)

12. SOURCE DOCUMENTS: (List all material filed in the City Clerk's Office as backup information for the request, and attach said backup information.)

- A. RCW 39.50,
- B.
- C.
- D.

13. SUMMARY TITLE: (A brief sentence, not to exceed fifty words, as it will appear on the Council Agenda.)

Authorize the Finance Director to issue Bond Anticipation Notea(BAN's) or other short-term obligations as authorized by Chapter 39.50 RCW in addition to current interest bearing warrants. for the purpose of financing the construction costs of Council approved Local Tmp-rnin-mont T)iQL-rinf- p;:Qj @@i-

14. INDEX DATA: (Provide a minimum of three cross reference key words or phrases other than department or program.)

- A- LID BAN Financing
- B. Interim Financing of LID's
- C. Bond Anticipation Notes

IS. Ordinance 234-112 First Read M85 Passed JUN 1 1 1985
Resolution Adopted
Comments or Other Action Taken:

ORDINANCE NO. 23412

AN ORDINANCE relating to local cmprove@
ment districts and authorizing the Finance

Director to contract for interim financing
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the same, for longer than the time ort-
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term obligations shall be registered in ac-
cordance with Ordinance No. 22999, as it
may be amended, if so required in order to
exempt the interest thereon from federal
income taxation- the Finance Director may
designate which short-term obligations are
those described in Section 3(d) of Ordinance
No. 22999 as "obligations not usually sub-
ject to trading."

The short-term obligations may be paid
from the proceeds of local improvement
district bonds or consolidated local improve-
ment bonds, from assessment payments,
from the proceeds of the issuance of other
short-term obligations, or from other City
funds made available for that purpose. The
short-term obligations shal'i be drawn on
the local improvement fund created for the
apFlicable local improvement district, and
un ess th. perrrrfitted by law, shall
out of that fund or the
t Guaranty Fund of the

obligations may be sub-
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Passed June 11, 1985.

- DOUG SUTHERLAND, Mayor
Attest: GENELLE BIRK, City Clerk
June 13