

ORDINANCE NO. 994

AN ORDINANCE of the City of Kirkland, Washington, relating to local improvement districts, designating the City Engineer to make preliminary estimates and assessment rolls, designating denominations for local improvement district bonds, providing penalties for delinquent assessments and procedure to enforce collection thereof, confirming the establishment of a Local Improvement Guaranty Fund for the purpose of guarantying to the extent of the Fund the payment of local improvement bonds and warrants issued by the city and prescribing rules and regulations for the maintenance and operation of such fund, repealing all ordinances or portions of ordinances in conflict herewith and declaring an emergency.

WHEREAS, the City of Kirkland, Washington, will from time to time establish local improvement districts for the construction and installation of improvements to be paid in whole or in part by assessments against property specially benefited thereby; and

WHEREAS, a substantial number of early city ordinances have been lost and certain ordinances governing the establishment of local improvement districts and the creation of the existing Local Improvement Guaranty Fund of the city have either been lost or rendered obsolete by the adoption of later state statutes on the subject of local improvement districts; and

WHEREAS, the city desires to now establish by general ordinance certain procedures applicable to all local improvement districts of the city hereafter created and to confirm the establishment of a Local Improvement Guaranty Fund and to repeal all ordinances or portions of ordinances in conflict with this ordinance without prejudice to any outstanding local improvement bonds or warrants issued or assessments levied pursuant to such ordinances;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF KIRKLAND, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. The creation of local improvement districts by the City of Kirkland, the levying and collection of assessments therein and the issuance of bonds and warrants thereof, shall be accomplished in accordance with the applicable provisions of the

statutes of the State of Washington and the provisions of this ordinance.

Section 2. The City Engineer is hereby designated as the proper officer to make preliminary estimates and assessment rolls for local improvement districts of the city and to furnish to the City Council such information as may be required by law to be furnished to the City Council in connection with the formation of local improvement districts.

Section 3. Local improvement bonds shall be in such denominations as may be provided in the ordinance authorizing their issue. The city may in such ordinance provide that the date, form and interest rate of such bonds and the denomination of the first numbered bond of such issue be subsequently fixed by resolution.

Section 4. In levying local improvement assessments the city shall estimate the reasonable costs to be incurred in collecting such assessments and same shall be added to the assessment roll as a part of the cost of the improvement.

Section 5. Installments of assessments which shall become due in any local improvement district of the City of Kirkland shall be delinquent if not paid when due. All delinquent installments shall bear a penalty of five per cent (5%) of the principal amount due on such delinquent installment or installments. If any assessment installment shall become delinquent, the entire assessment shall become due and payable and the collection thereof may be enforced by foreclosure in the manner provided by the laws of the State of Washington; provided, however, that payment of all delinquent installments together with interest, penalty and costs at any time before entry of judgment in foreclosure shall extend the time of payment on the remainder of the assessment installments as if there had been no delinquency or foreclosure.

Section 6. Pursuant to Chapter 209, Session Laws of 1927, as amended and Chapter 35.54 of the Revised Code of Washington, there is hereby created a fund of the city to be known and designated as "Local Improvement Guaranty Fund" for the purpose of guarantying to the extent of such Fund in the manner provided by law and this ordinance the payment of local improvement bonds and warrants hereafter issued to pay the cost of improvements constructed in all local improvement districts of the city and the payment of all local improvement bonds and warrants of the city heretofore issued and guaranteed by the existing Local Improvement Guaranty Fund of the city, the creation of which is hereby ratified and confirmed and such fund redesignated, consolidated with and made a part of the "Local Improvement Guaranty Fund" created and designated by this ordinance.

Section 7. From time to time hereafter for the purpose of maintaining the Local Improvement Guaranty Fund the city shall at the time of making its annual budget and tax levy provide for the levy of a sum sufficient, with other resources of the Fund, to meet the financial requirements of such Fund, provided that the levy in any one year shall not exceed five per cent (5%) of the outstanding obligations guaranteed by the Fund.

Section 8. Warrants drawing interest at a rate of not to exceed 6% shall be issued against the Local Improvement Guaranty Fund to meet any liability accruing against it. The warrants so issued shall at no time exceed five per cent (5%) of the outstanding obligations guaranteed by the Fund. At the time of making its annual budget and tax levy the city shall provide for the levying of a sum sufficient, with other resources of the Fund, to pay warrants so issued during the preceding fiscal year.

Section 9. Defaulted bonds, interest coupons and warrants against local improvement district funds of the city shall be purchased out of the Guaranty Fund and as between the several issues of bonds, coupons or warrants no preference shall exist, but they shall be purchased in the order of their presentation.

Section 10. For the purpose of protecting the Guaranty Fund, so much of the Guaranty Fund as is necessary may be used to purchase certificates of delinquency for general taxes on property subject to local improvement assessments which underlie the bonds, coupons or warrants guaranteed by the Fund or to purchase such property at county tax foreclosures or from the county after foreclosure.

The city, as trustee of the Fund, may foreclose the lien of general taxes certificates of delinquency and purchase the property at foreclosure sale. When doing so, the court costs, costs of publication, expense for clerical work and other expenses incidental thereto shall be charged to and paid from the Local Improvement Guaranty Fund.

After acquiring title to property by purchase at general tax foreclosure sale or from the county after foreclosure, the city may lease it or sell it at public or private sale at such price and on such terms as may be determined by resolution of the City Council. All proceeds shall belong to and be paid into the Local Improvement Guaranty Fund.

Section 11. Interest and earnings from the Local Improvement Guaranty Fund shall be paid into the Fund. If in any local improvement fund guaranteed by the Local Improvement Guaranty Fund there is a surplus remaining after the payment of all outstanding bonds and warrants payable therefrom, it shall be paid into the Local Improvement Guaranty Fund.

Whenever any sum is paid out of the Local Improvement Guaranty Fund on account of the principal or interest of a local improvement bond or warrant, the city, as trustee of the Fund, shall be subrogated to all the rights of the holder of the bonds or interest coupon or warrant so paid and the proceeds thereof or of

the underlying assessment shall become part of the Guaranty Fund.

Section 12. All ordinances or portions of ordinances in conflict with this ordinance including but not limited to Ordinance No. 311 passed and approved February 6, 1928 and Ordinance No. 395 passed and approved June 20, 1932, are hereby repealed to the extent of such conflict; provided that all bonds or warrants issued or assessments levied under the authority of or guaranteed by such ordinances shall not be affected by such repeal.

Section 13. This ordinance is declared to be one necessary for the immediate preservation of the public peace, property, health and safety of the people of the City of Kirkland, Washington. An emergency is hereby declared to exist, and this ordinance is hereby declared to be in full force and effect from and after its passage, approval and publication as provided by law.

PASSED by the Council of the City of Kirkland, Washington, and approved by its Mayor at a regular meeting of said Council held this 2nd day of August, 1965.

CITY OF KIRKLAND, WASHINGTON

By

James H. Vary
Mayor

ATTEST:

George E. Anderson
City Clerk

APPROVED AS TO FORM:

Ralph S. Turner
City Attorney

COPY

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By

James H. Duff
Mayor

ATTEST:

George E. Anderson
City Clerk

APPROVED AS TO FORM:

Ralph J. Thomas
City Attorney