

ORDINANCE NO. 2529

AN ORDINANCE OF THE CITY OF KIRKLAND PROVIDING FOR THE ISSUANCE OF WARRANTS IN PAYMENT OF COSTS AND EXPENSES OF LOCAL IMPROVEMENT DISTRICT NO. 115 SUPPLEMENTING ORDINANCE NO. 2391.

WHEREAS, the City of Kirkland, Washington, has heretofore, by Resolution No. 2422, declared that the public interest and convenience requires certain improvements as set forth therein; and

WHEREAS, the City Council, by Ordinance No. 2345 created Local Improvement District No. 115 for accomplishment and construction of the work referred to above; and

WHEREAS, said Ordinance 2345 provides for the issuance of warrants in payment of costs and expenses of Local Improvement District No. 115; and

WHEREAS, such interim revenue warrants for payment of costs and expenses for said projects were authorized by Ordinance 2391 adopted May 1, 1978, with an established interest rate of 5.2 percent per annum; and

WHEREAS, the offer of Seattle-First National Bank to purchase said interim revenue warrants was accepted; and

WHEREAS, at that time it was anticipated by the City of Kirkland and expected by Seattle-First National Bank that the improvement project would be completed, the assessment roll finalized and confirmed, and the Local Improvement District bonds sold by late Summer or early Fall of 1979; and

WHEREAS, due to unexpected and unanticipated delays, said construction project is only now in the process of completion and it is anticipated that confirmation of the final assessment roll and subsequent sale of the Local Improvement District 115 bonds will not occur until September 1980 or thereafter; and

WHEREAS, Seattle-First National Bank contends that there has been an unreasonable delay in calling for payment the interim revenue warrants heretofore issued and that the interest rate fixed by Ordinance 2391 at 5.2 percent per annum is, as a result of the escalation of interest rates over the past several months and the current prime rate, unreasonably low, and that the foregoing is sufficient to justify a renegotiation of the interest rate to be paid on presently outstanding and unpaid interim revenue warrants as

well as on any interim revenue warrants that may hereafter be issued for payment of additional costs and expenses of Local Improvement District 115; and

WHEREAS, the City Council of the City of Kirkland, after consideration of the foregoing, has determined that it does not have the lawful authority to pay or provide for an interest rate in excess of the interest rate fixed in Ordinance No. 2391 with respect to all interim revenue warrants heretofore issued pursuant to Ordinance 2391 and not called for payment prior to May 19, 1980; and

WHEREAS, the City Council of the City of Kirkland has further determined that it is necessary to issue additional interim revenue warrants for the payment of costs and expenses of Local Improvement District No. 115 and that the unreasonable delay in payment of existing outstanding warrants, together with the escalation in interest rates over the past several months, constitutes a sufficient basis to provide new authority for the issuance of revenue interim warrants in payment of the costs and expenses of Local Improvement District No. 115, (including payment of such warrants issued under the authority of Ordinance No. 2391 and not called for payment prior to May 19, 1980).

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Kirkland as follows:

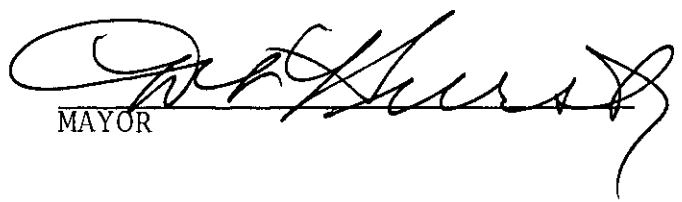
Section 1. That interim revenue warrants be issued for payment of the costs and expenses (including payment of such warrants heretofore issued pursuant to Ordinance No. 2391 and not called for payment prior to May 19, 1980) of Local Improvement District No. 115, payable out of the Local Improvement Fund District No. 115 created and established by Section 8 of Ordinance No. 2345.

Section 2. That the offer of Seattle First National Bank, dated May 27, 1980, to purchase the interim revenue warrants authorized by this Ordinance No. 2529, payable out of Local Improvement Fund District No. 115 at an interest rate of nine percent per annum is hereby accepted and the interest on such revenue warrants is hereby fixed at nine percent per annum in accordance with such offer.


Section 3. This ordinance shall be in force and take effect five (5) days from and after its passage by the City Council and publication as required by law.

PASSED by the Kirkland City Council in special meeting duly called for the purpose of consideration and adoption of this ordinance upon notice given in the manner required by law for the calling of such special meeting held May 27, 1980.

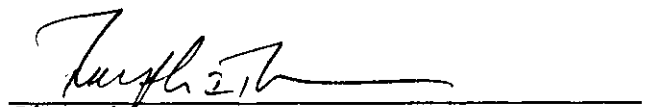
SIGNED IN AUTHENTICATION THEREOF on the 27th day of
May, 1980.


MAYOR

ATTEST:


Director of Administration & Finance
(ex officio City Clerk)

APPROVED AS TO FORM:


City Attorney