

ORDINANCE NO O-4719

AN ORDINANCE OF THE CITY OF KIRKLAND, WASHINGTON, AUTHORIZING THE ISSUANCE OF LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$30,250,000 FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE CITY AND PAYING COSTS OF ISSUING THE BONDS; DELEGATING CERTAIN AUTHORITY TO APPROVE THE METHOD OF SALE AND FINAL TERMS OF THE BONDS; AND AUTHORIZING OTHER RELATED MATTERS.

1           WHEREAS, the City of Kirkland, Washington (the "City"), issued its Limited  
2 Tax General Obligation Bonds, Series 2010 (Taxable Build America Bonds – Direct  
3 Payment) (the "2010 Bonds") in the original aggregate principal amount of  
4 \$35,345,000 pursuant to Ordinance No. 4272 (the "2010 Ordinance"); and  
5

6           WHEREAS, the 2010 Bonds maturing on or after December 1, 2021 are  
7 subject to redemption at the option of the City on any date on or after December 1,  
8 2020, in whole or in part, at the price of par plus accrued interest, if any, to the  
9 date of redemption; and  
10

11           WHEREAS, the 2010 Bonds were issued as taxable Build America Bonds  
12 with a direct federal interest subsidy payment to the City; and  
13

14           WHEREAS, upon the legal defeasance of the 2010 Bonds, the 2010 Bonds  
15 will no longer qualify as Build America Bonds, the City will no longer be able to  
16 collect federal interest payment subsidies in connection with the 2010 Bonds, and  
17 the defeased 2010 Bonds will be taxable obligations eligible for advance refunding  
18 on a tax-exempt basis; and  
19

20           WHEREAS, the Council deems it in the best interest of the City to issue  
21 limited tax general obligation refunding bonds (the "Bonds") to defease and  
22 redeem the outstanding 2010 Bonds and to pay costs of issuing the Bonds; and  
23

24           WHEREAS, the Council wishes to delegate authority to the City Manager  
25 and the Director of Finance and Administration (each, a "Designated  
26 Representative"), for a limited time, to approve the method of sale and the interest  
27 rates, maturity dates, redemption terms and principal maturities for the Bonds  
28 within the parameters set by this ordinance to effect the refinancing; and  
29

30           WHEREAS, the Bonds shall be sold by negotiated or competitive public sale  
31 as set forth herein;  
32

33 NOW, THEREFORE, the City Council of the City of Kirkland does ordain as  
34 follows:

35  
36 Section 1. Definitions. As used in this ordinance, the following words  
37 and terms shall have the following meanings, unless the context or use indicates  
38 another or different meaning or intent. Unless the context indicates otherwise,  
39 words importing the singular number shall include the plural number and vice  
40 versa.

41  
42 *Acquired Obligations* means the Government Obligations acquired by the  
43 City under the terms of this ordinance and the Escrow Agreement to effect the  
44 defeasance and refunding of the Refunded Bonds, but only to the extent that the  
45 same are acquired at Fair Market Value.

46  
47 *Beneficial Owner* means any person that has or shares the power, directly  
48 or indirectly, to make investment decisions concerning ownership of any Bonds  
49 (including persons holding Bonds through nominees, depositories or other  
50 intermediaries).

51  
52 *Bond Counsel* means Pacifica Law Group LLP or an attorney at law or a  
53 firm of attorneys, selected by the City, of nationally recognized standing in matters  
54 pertaining to the tax exempt nature of interest on bonds issued by states and their  
55 political subdivisions.

56  
57 *Bond Purchase Contract* means one or more contracts, if any, for the  
58 purchase of any Bonds sold by negotiated sale to the Underwriter, executed  
59 pursuant to Section 10.

60  
61 *Bond Register* means the registration books showing the name, address  
62 and tax identification number of each Registered Owner of the Bonds, maintained  
63 for the Bonds in the manner required pursuant to Section 149(a) of the Code.

64  
65 *Bond Registrar* means, initially, the fiscal agent of the State, for the  
66 purposes of registering and authenticating the Bonds, maintaining the Bond  
67 Register, effecting transfer of ownership of the Bonds and paying interest on and  
68 principal of the Bonds.

69  
70 *Bonds* mean the limited tax general obligation refunding bonds authorized  
71 to be issued pursuant to this ordinance.

72  
73 *Call Date* means December 1, 2020.

74  
75 *Certificate of Award* means one or more certificates, if any, for the purchase  
76 of any Bonds sold by competitive sale awarding the Bonds to the successful bidder  
77 as set forth in Section 10 of this ordinance.

78  
79 *City* means the City of Kirkland, Washington, a municipal corporation duly  
80 organized and existing by virtue of the laws of the State.

81

82            *City Attorney* means the duly appointed and acting City Attorney of the  
83 City, including anyone acting in such capacity for the position, or the successor to  
84 the duties of that office.

85  
86            *City Clerk* means the duly appointed and acting City Clerk of the City or the  
87 successor to the duties of that office.

88  
89            *City Manager* means the duly appointed and acting City Manager of the  
90 City or the successor to the duties of such office.

91  
92            *Closing* means the date of issuance and delivery of the Bonds to the  
93 Underwriter.

94  
95            *Code* means the Internal Revenue Code of 1986 as in effect on the date of  
96 issuance of the Bonds or (except as otherwise referenced herein) as it may be  
97 amended to apply to obligations issued on the date of issuance of the Bonds,  
98 together with applicable proposed, temporary and final regulations promulgated,  
99 and applicable official public guidance published, under the Code.

100  
101            *Commission* means the United States Securities and Exchange Commission.

102  
103            *Continuing Disclosure Certificate* means one or more written undertakings  
104 for the benefit of the owners and Beneficial Owners of the Bonds as required by  
105 Section (b)(5) of the Rule.

106  
107            *Council* or *City Council* means the Kirkland City Council, the general  
108 legislative body of the City, as the same is duly and regularly constituted from time  
109 to time.

110  
111            *Debt Service Fund* means one or more funds or accounts created pursuant  
112 to this ordinance for the purpose of paying debt service on the Bonds.

113  
114            *Designated Representative* means the City Manager or the Director of  
115 Finance and Administration, or any other officer or employee of the City appointed  
116 in writing by either of them. The signature of one Designated Representative shall  
117 be sufficient to bind the City.

118  
119            *Director of Finance and Administration* means the City's Director of Finance  
120 and Administration or the successor to the duties of the office.

121  
122            *DTC* means The Depository Trust Company, New York, New York, a limited  
123 purpose trust company organized under the laws of the State of New York, as  
124 depository for the Bonds pursuant to Section 3 of this ordinance.

125  
126            *Escrow Agent* means the trust company or state or national bank having  
127 powers of a trust company selected by the City to serve as escrow agent pursuant  
128 to Section 7 of this ordinance.

129

130           *Escrow Agreement* means the Escrow Deposit Agreement between the City  
131 and the Escrow Agent to be dated as of the date of Closing of the Bonds.

132  
133           *Escrow Fund* means the fund or account established by the Escrow Agent  
134 under the Escrow Agreement executed in connection with the defeasance and  
135 redemption of the Refunded Bonds.

136  
137           *Fair Market Value* means the price at which a willing buyer would purchase  
138 an investment from a willing seller in a bona fide, arm's-length transaction, except  
139 for specified investments as described in Treasury Regulation § 1.148-5(d)(6),  
140 including United States Treasury obligations, certificates of deposit, guaranteed  
141 investment contracts, and investments for yield restricted defeasance escrows.  
142 Fair Market Value is generally determined on the date on which a contract to  
143 purchase or sell an investment becomes binding, and, to the extent required by  
144 the applicable regulations under the Code, the term "investment" will include a  
145 hedge.

146  
147           *Federal Tax Certificate* means one or more certificates executed by the  
148 Designated Representative setting forth the requirements of the Code for  
149 maintaining the tax exemption of interest on the Bonds to be dated as of the date  
150 of Closing for such Bonds, and attachments thereto.

151  
152           *Government Obligations* means those obligations now or hereafter defined  
153 as such in chapter 39.53 RCW constituting direct obligations of, or obligations the  
154 principal of and interest on which are unconditionally guaranteed by, the United  
155 States of America, as such chapter may be hereafter amended or restated.

156  
157           *Letter of Representations* means the Blanket Issuer Letter of  
158 Representations from the City to DTC.

159  
160           *Mayor* means the duly elected and acting Mayor of the City or the successor  
161 to the duties of such office.

162  
163           *MSRB* means the Municipal Securities Rulemaking Board or any successors  
164 to its functions.

165  
166           *Official Statement* means the disclosure document(s) prepared and  
167 delivered in connection with the issuance of the Bonds.

168  
169           *Projects* mean the capital projects refinanced with proceeds of the  
170 Refunded Bonds.

171  
172           *Record Date* means the close of business for the Bond Registrar that is 15  
173 days preceding any interest and/or principal payment or redemption date.

174  
175           *Refunded Bonds* mean the outstanding 2010 Bonds.  
176

177        *Registered Owner* means the person named as the registered owner of a  
178 Bond in the Bond Register. For so long as the Bonds are held in book entry only  
179 form, DTC or its nominee shall be deemed to be the sole Registered Owner.

180  
181        *Rule* means the Commission's Rule 15c2-12 under the Securities Exchange  
182 Act of 1934, as the same may be amended from time to time.

183  
184        *Sale Document* means the Bond Purchase Contract or Certificate of Award,  
185 if any, executed by the Designated Representative in connection with the sale of  
186 the Bonds pursuant to Section 10 of this ordinance, which shall provide for the  
187 name, principal and interest payment dates and amounts, redemption/prepayment  
188 rights, and other terms to describe such Bonds as determined by the Designated  
189 Representative.

190  
191        *State* means the State of Washington.

192  
193        *2010 Bonds* mean the City's Limited Tax General Obligation Bonds, Series  
194 2010 (Taxable Build America Bonds – Direct Payment), issued pursuant to the  
195 2010 Ordinance as described in the recitals of this ordinance.

196  
197        *2010 Ordinance* means Ordinance No. 4272 passed by the Council on  
198 November 16, 2010, authorizing the issuance of the 2010 Bonds.

199  
200        *Underwriter* means any underwriter, in the case of a negotiated sale, or  
201 initial purchaser, in the case of a competitive sale, for the Bonds selected pursuant  
202 to Section 10.

203  
204        Section 2.        Findings; Purpose and Authorization of Bonds.

205  
206        (a)        *Findings.* The City has established a debt management policy which  
207 provides that the City may issue refunding bonds when, among other reasons,  
208 such refunding results in a sufficient net present value benefit after expenses.  
209 Council approval is required prior to the issuance of debt under City policy and  
210 State law. The Council hereby finds (1) it is in the best interest of the City and its  
211 taxpayers that it issue limited tax general obligation refunding bonds to defease  
212 and refund the Refunded Bonds for aggregate net present value debt service  
213 savings; (2) market conditions are changing and in order to accomplish the  
214 refunding authorized herein it is necessary that the Council adopt this ordinance;  
215 (3) the refunding bonds authorized herein will not be issued without further  
216 Council approval unless the parameters provided for in Section 10 can be satisfied;  
217 and (4) the adoption of this ordinance and the authorization of the Bonds is routine  
218 and consistent with City policy.

219  
220        (b)        *Purpose and Authorization of Bonds.* For the purpose of defeasing  
221 and refunding the Refunded Bonds and paying related costs of issuance, the City  
222 is hereby authorized to issue and sell limited tax general obligation refunding  
223 bonds in an aggregate principal amount not to exceed \$30,250,000 (the "Bonds").  
224

225 The Bonds shall be general obligations of the City, shall be designated "City  
226 of Kirkland, Washington, Limited Tax General Obligation Refunding Bonds, 2020,"  
227 with any series or other designation as determined by the Designated  
228 Representative. The Bonds shall be dated as of the date of Closing; shall be fully  
229 registered as to both principal and interest; shall be in the denomination of \$5,000  
230 each, or any integral multiple thereof, within a maturity; shall be numbered  
231 separately in such manner and with any additional designation as the Bond  
232 Registrar deems necessary for purposes of identification; shall bear interest from  
233 their date payable on the dates and commencing as provided in the Sale  
234 Document; and shall be subject to optional and/or mandatory redemption and  
235 mature on the dates and in the principal amounts set forth in the Sale Document,  
236 as approved and executed by the Designated Representative pursuant to Section  
237 10 of this ordinance.

238  
239 Section 3. Registration, Exchange and Payments.

240  
241 (a) *Bond Registrar/Bond Register.* The City hereby specifies and adopts  
242 the system of registration approved by the Washington State Finance Committee  
243 from time to time through the appointment of a state fiscal agent. The City shall  
244 cause a bond register to be maintained by the Bond Registrar. So long as any  
245 Bonds remain outstanding, the Bond Registrar shall make all necessary provisions  
246 to permit the exchange or registration or transfer of Bonds at its designated office.  
247 The Bond Registrar may be removed at any time at the option of the Director of  
248 Finance and Administration upon prior notice to the Bond Registrar and a successor  
249 Bond Registrar appointed by the Director of Finance and Administration. No  
250 resignation or removal of the Bond Registrar shall be effective until a successor  
251 shall have been appointed and until the successor Bond Registrar shall have  
252 accepted the duties of the Bond Registrar hereunder. The Bond Registrar is  
253 authorized, on behalf of the City, to authenticate and deliver Bonds transferred or  
254 exchanged in accordance with the provisions of such Bonds and this ordinance and  
255 to carry out all of the Bond Registrar's powers and duties under this ordinance.  
256 The Bond Registrar shall be responsible for its representations contained in the  
257 certificate of authentication of the Bonds.

258  
259 (b) *Registered Ownership.* The City and the Bond Registrar, each in its  
260 discretion, may deem and treat the Registered Owner of each Bond as the absolute  
261 owner thereof for all purposes (except as otherwise provided in this ordinance or  
262 in the Continuing Disclosure Certificate), and neither the City nor the Bond  
263 Registrar shall be affected by any notice to the contrary. Payment of any such  
264 Bond shall be made only as described below, but such Bond may be transferred  
265 as provided herein. All such payments made as described below shall be valid and  
266 shall satisfy and discharge the liability of the City upon such Bond to the extent of  
267 the amount or amounts so paid.

268  
269 (c) *DTC Acceptance/Letters of Representations.* The Bonds initially  
270 shall be held in fully immobilized form by DTC acting as depository. The City has  
271 executed and delivered to DTC the Letter of Representations. Neither the City nor  
272 the Bond Registrar shall have any responsibility or obligation to DTC participants  
273 or the persons for whom they act as nominees (or any successor depository) with

274 respect to the Bonds in respect of the accuracy of any records maintained by DTC  
275 (or any successor depository) or any DTC participant, the payment by DTC (or any  
276 successor depository) or any DTC participant of any amount in respect of the  
277 principal of or interest on Bonds, any notice which is permitted or required to be  
278 given to Registered Owners under this ordinance (except such notices as shall be  
279 required to be given by the City to the Bond Registrar or to DTC (or any successor  
280 depository)), or any consent given or other action taken by DTC (or any successor  
281 depository) as the Registered Owner. For so long as any Bonds are held by a  
282 depository, DTC or its successor depository or its nominee shall be deemed to be  
283 the Registered Owner for all purposes hereunder, and all references herein to the  
284 Registered Owners shall mean DTC (or any successor depository) or its nominee  
285 and shall not mean the owners of any beneficial interest in such Bonds.

286  
287 (d) *Use of Depository.*

288  
289 (1) The Bonds shall be registered initially in the name of  
290 "Cede & Co.", as nominee of DTC, with one Bond maturing on each of the maturity  
291 dates for the Bonds in a denomination corresponding to the total principal therein  
292 designated to mature on such date. Registered ownership of such immobilized  
293 Bonds, or any portions thereof, may not thereafter be transferred except (A) to  
294 any successor of DTC or its nominee, provided that any such successor shall be  
295 qualified under any applicable laws to provide the service proposed to be provided  
296 by it; (B) to any substitute depository appointed by the Director of Finance and  
297 Administration pursuant to subsection (2) below or such substitute depository's  
298 successor; or (C) to any person as provided in subsection (4) below.

299  
300 (2) Upon the resignation of DTC or its successor (or any  
301 substitute depository or its successor) from its functions as depository or a  
302 determination by the Director of Finance and Administration to discontinue the  
303 system of book entry transfers through DTC or its successor (or any substitute  
304 depository or its successor), the Director of Finance and Administration may  
305 hereafter appoint a substitute depository. Any such substitute depository shall be  
306 qualified under any applicable laws to provide the services proposed to be provided  
307 by it.

308  
309 (3) In the case of any transfer pursuant to clause (A) or (B) of  
310 subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding  
311 Bonds, together with a written request on behalf of the Director of Finance and  
312 Administration, issue a single new Bond for each maturity then outstanding,  
313 registered in the name of such successor or such substitute depository, or their  
314 nominees, as the case may be, all as specified in such written request of the  
315 Director of Finance and Administration.

316  
317 (4) In the event that (A) DTC or its successor (or substitute  
318 depository or its successor) resigns from its functions as depository, and no  
319 substitute depository can be obtained, or (B) the Director of Finance and  
320 Administration determines that it is in the best interest of the Beneficial Owners of  
321 the Bonds that such owners be able to obtain physical bond certificates, the  
322 ownership of such Bonds may then be transferred to any person or entity as herein

323 provided, and shall no longer be held by a depository. The Director of Finance and  
324 Administration shall deliver a written request to the Bond Registrar, together with  
325 a supply of physical Bonds, to issue Bonds as herein provided in any authorized  
326 denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds  
327 together with a written request on behalf of the Director of Finance and  
328 Administration to the Bond Registrar, new Bonds shall be issued in the appropriate  
329 denominations and registered in the names of such persons as are requested in  
330 such written request.

331  
332 (e) *Registration of Transfer of Ownership or Exchange; Change in*  
333 *Denominations.* The transfer of any Bond may be registered and Bonds may be  
334 exchanged, but no transfer of any such Bond shall be valid unless it is surrendered  
335 to the Bond Registrar with the assignment form appearing on such Bond duly  
336 executed by the Registered Owner or such Registered Owner's duly authorized  
337 agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the  
338 Bond Registrar shall cancel the surrendered Bond and shall authenticate and  
339 deliver, without charge to the Registered Owner or transferee therefor, a new  
340 Bond(s) (or Bonds at the option of the new Registered Owner) of the same date,  
341 maturity and interest rate and for the same aggregate principal amount in any  
342 authorized denomination, naming as Registered Owner the person or persons  
343 listed as the assignee on the assignment form appearing on the surrendered Bond,  
344 in exchange for such surrendered and cancelled Bond. Any Bond may be  
345 surrendered to the Bond Registrar and exchanged, without charge, for an equal  
346 aggregate principal amount of Bonds of the same date, maturity, and interest rate,  
347 in any authorized denomination. The Bond Registrar shall not be obligated to  
348 register the transfer of or to exchange any Bond during the 15 days preceding any  
349 principal payment or redemption date.

350  
351 (f) *Bond Registrar's Ownership of Bonds.* The Bond Registrar may  
352 become the Registered Owner of any Bond with the same rights it would have if  
353 it were not the Bond Registrar, and to the extent permitted by law, may act as  
354 depository for and permit any of its officers or directors to act as a member of, or  
355 in any other capacity with respect to, any committee formed to protect the right  
356 of the Registered Owners or Beneficial Owners of Bonds.

357  
358 (g) *Place and Medium of Payment.* Both principal of and interest on the  
359 Bonds shall be payable in lawful money of the United States of America. Interest  
360 on the Bonds shall be calculated on the basis of a year of 360 days and twelve  
361 30-day months. For so long as all Bonds are held by a depository, payments of  
362 principal thereof and interest thereon shall be made as provided in accordance  
363 with the operational arrangements of DTC referred to in the Letter of  
364 Representations. In the event that the Bonds are no longer held by a depository,  
365 interest on the Bonds shall be paid by check or draft mailed to the Registered  
366 Owners at the addresses for such Registered Owners appearing on the Bond  
367 Register on the Record Date, or upon the written request of a Registered Owner  
368 of more than \$1,000,000 of Bonds (received by the Bond Registrar at least by the  
369 Record Date), such payment shall be made by the Bond Registrar by wire transfer  
370 to the account within the United States designated by the Registered Owner.



371 Principal of the Bonds shall be payable upon presentation and surrender of such  
372 Bonds by the Registered Owners at the designated office of the Bond Registrar.  
373

374 If any Bond shall be duly presented for payment and funds have not been  
375 duly provided by the City on such applicable date, then interest shall continue to  
376 accrue thereafter on the unpaid principal thereof at the rate stated on such Bonds  
377 until it is paid.  
378

379 Section 4. Redemption and Purchase of Bonds.  
380

381 (a) *Redemption of Bonds.* The Bonds shall be subject to mandatory  
382 redemption to the extent, if any, as set forth in the applicable Sale Document and  
383 as approved by the Designated Representative pursuant to Section 10. The Bonds  
384 shall be subject to optional redemption and/or prepayment on the dates, at the  
385 prices and under the terms set forth in the applicable Sale Document approved by  
386 the Designated Representative pursuant to Section 10.  
387

388 (b) *Purchase of Bonds.* The City reserves the right to accept an offer to  
389 purchase any of the Bonds at any time at a price deemed reasonable by the  
390 Designated Representative.  
391

392 (c) *Selection of Bonds for Redemption.* If the Bonds are held in  
393 book-entry only form, the selection of particular Bonds within a maturity to be  
394 redeemed shall be made in accordance with the operational arrangements then in  
395 effect at DTC. If the Bonds are no longer held by a depository, the selection of  
396 such Bonds to be redeemed and the surrender and reissuance thereof, as  
397 applicable, shall be made as provided in the following provisions of this  
398 subsection (c). If the City redeems at any one time fewer than all of the Bonds  
399 having the same maturity date, the particular Bonds or portions of Bonds of such  
400 maturity to be redeemed shall be selected by lot (or in such manner determined  
401 by the Bond Registrar) in increments of \$5,000. In the case of an Bond of a  
402 denomination greater than \$5,000, the City and the Bond Registrar shall treat each  
403 Bond as representing such number of separate Bonds each of the denomination  
404 of \$5,000 as is obtained by dividing the actual principal amount of such Bond by  
405 \$5,000. In the event that only a portion of the principal sum of a Bond is redeemed,  
406 upon surrender of such Bond at the designated office of the Bond Registrar there  
407 shall be issued to the Registered Owner, without charge therefor, for the then  
408 unredeemed balance of the principal sum thereof, at the option of the Registered  
409 Owner, a Bond or Bonds of like maturity and interest rate in any of the  
410 denominations herein authorized.  
411

412 (d) *Notice of Redemption or Prepayment.*  
413

414 (1) Official Notice. For so long as the Bonds are held by a  
415 depository, notice of redemption (which notice may be conditional) shall be given  
416 in accordance with the operational arrangements of DTC as then in effect, and  
417 neither the City nor the Bond Registrar will provide any notice of redemption to  
418 any Beneficial Owners. Thereafter (if the Bonds are no longer held in uncertificated  
419 form), notice of redemption shall be given in the manner hereinafter provided.

420 Unless waived by any owner of Bonds to be redeemed, official notice of any such  
421 redemption shall be given by the Bond Registrar on behalf of the City by mailing a  
422 copy of an official redemption notice by first class mail at least 20 days and not  
423 more than 60 days prior to the date fixed for redemption to the Registered Owner  
424 of the Bond or Bonds to be redeemed at the address shown on the Bond Register  
425 or at such other address as is furnished in writing by such Registered Owner to  
426 the Bond Registrar.

427

428 All official notices of redemption shall be dated and shall state:

429

430 (A) the redemption date,

431

432 (B) the redemption price,

433

434 (C) if fewer than all outstanding Bonds are to be  
435 redeemed, the identification by maturity (and, in the case of partial redemption,  
436 the respective principal amounts) of the Bonds to be redeemed,

437

438 (D) any conditions to redemption,

439

440 (E) that (unless such notice is conditional) on the  
441 redemption date the redemption price will become due and payable upon each  
442 such Bond or portion thereof called for redemption, and that interest thereon shall  
443 cease to accrue from and after said date, and

444

445 (F) the place where such Bonds are to be surrendered  
446 for payment of the redemption price, which place of payment shall be the  
447 designated office of the Bond Registrar.

448

449 On or prior to any redemption date, unless any condition to such  
450 redemption has not been satisfied or waived or notice of such redemption has  
451 been rescinded, the City shall deposit with the Bond Registrar an amount of money  
452 sufficient to pay the redemption price of all the Bonds or portions of Bonds which  
453 are to be redeemed on that date. The City retains the right to rescind any  
454 redemption notice and the related optional redemption of Bonds by giving notice  
455 of rescission to the affected registered owners at any time on or prior to the  
456 scheduled redemption date. Any notice of optional redemption that is so rescinded  
457 shall be of no effect, and the Bonds for which the notice of optional redemption  
458 has been rescinded shall remain outstanding.

459

460 (2) Effect of Notice; Bonds Due. If notice of redemption has  
461 been given and not rescinded or revoked, or if the conditions set forth in a  
462 conditional notice of redemption have been satisfied or waived, the Bonds or  
463 portions of Bonds to be redeemed shall, on the redemption date, become due and  
464 payable at the redemption price therein specified, and, if the Bond Registrar then  
465 holds sufficient funds to pay such Bonds at the redemption price, then from and  
466 after such date such Bonds or portions of Bonds shall cease to bear interest. Upon  
467 surrender of such Bonds for redemption in accordance with said notice, such Bonds  
468 shall be paid by the Bond Registrar at the redemption price. Installments of interest

469 due on or prior to the redemption date shall be payable as herein provided for  
470 payment of interest. All Bonds which have been redeemed shall be canceled by  
471 the Bond Registrar and shall not be reissued.

472  
473 (3) Additional Notice. If addition to the foregoing notice, further  
474 notice shall be given by the City as set out below, but no defect in said further  
475 notice nor any failure to give all or any portion of such further notice shall in any  
476 manner defeat the effectiveness of a call for redemption if notice thereof is given  
477 as above prescribed. Each further notice of redemption given hereunder shall  
478 contain the information required above for an official notice of redemption plus  
479 (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the  
480 Bonds as originally issued; (C) the rate of interest borne by each Bond being  
481 redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other  
482 descriptive information needed to identify accurately the Bonds being redeemed.  
483 Each further notice of redemption may be sent at least 20 days before the  
484 redemption date to each party entitled to receive notice pursuant to the Continuing  
485 Disclosure Certificate and with such additional information as the City shall deem  
486 appropriate, but such mailings shall not be a condition precedent to the redemption  
487 of such Bonds.

488  
489 (4) Amendment of Notice Provisions. The foregoing notice  
490 provisions of this Section 4, including but not limited to the information to be  
491 included in redemption notices and the persons designated to receive notices, may  
492 be amended by additions, deletions and changes in order to maintain compliance  
493 with duly promulgated regulations and recommendations regarding notices of  
494 redemption of municipal securities.

495  
496 Section 5. Form of Bonds. The Bonds shall be in substantially the form  
497 set forth in **Exhibit A**, which is incorporated herein by this reference.

498  
499 Section 6. Execution of Bonds. The Bonds shall be executed on behalf  
500 of the City with the manual or facsimile signatures of the Mayor and City Clerk of  
501 the City and the seal of the City shall be impressed, imprinted or otherwise  
502 reproduced thereon.

503  
504 In case either of the officers who shall have executed the Bonds shall cease  
505 to be an officer or officers of the City before the Bonds so signed shall have been  
506 authenticated or delivered by the Bond Registrar, or issued by the City, such Bonds  
507 may nevertheless be authenticated, delivered and issued and upon such  
508 authentication, delivery and issuance, shall be as binding upon the City as though  
509 those who signed the same had continued to be such officers of the City. Any Bond  
510 may be signed and attested on behalf of the City by such persons who at the date  
511 of the actual execution of such Bond, are the proper officers of the City, although  
512 at the original date of such Bond any such person shall not have been such officer  
513 of the City.

514  
515 Only such Bonds as shall bear thereon a Certificate of Authentication in the  
516 form set forth in **Exhibit A**, manually executed by the Bond Registrar, shall be  
517 valid or obligatory for any purpose or entitled to the benefits of this ordinance.

518 Such Certificate of Authentication shall be conclusive evidence that the Bonds so  
519 authenticated have been duly executed, authenticated and delivered hereunder  
520 and are entitled to the benefits of this ordinance.

521  
522 Section 7. Refunding Plan; Application of Bond Proceeds.

523  
524 (a) *Plan of Refunding.* The City proposes to defease and refund the  
525 Refunded Bonds as set forth herein. A portion of the proceeds of the Bonds shall  
526 be deposited with the Escrow Agent pursuant to the Escrow Agreement to be used  
527 immediately upon receipt thereof to defease the Refunded Bonds as authorized by  
528 the 2010 Ordinance and to pay costs of issuance and administrative costs of the  
529 refunding.

530  
531 The proceeds of the Bonds deposited with the Escrow Agent shall be used  
532 to defease the Refunded Bonds and discharge the obligations thereon by the  
533 purchase of Acquired Obligations bearing such interest and maturing as to principal  
534 and interest in such amounts and at such times which, together with any necessary  
535 beginning cash balance, will provide for the payment of:

536  
537 (1) interest on the Refunded Bonds as such becomes due on  
538 and prior to the Call Date; and

539  
540 (2) the principal amount due and the redemption price (100%  
541 of the principal amount) of the Refunded Bonds on the Call Date.

542  
543 Such Acquired Obligations shall be purchased at a yield not greater than  
544 the yield permitted by the Code and regulations relating to acquired obligations in  
545 connection with refunding bond issues.

546  
547 (b) *Escrow Agent; Escrow Agreement.* The Designated Representative  
548 is hereby authorized to solicit proposals from and to select an Escrow Agent. A  
549 beginning cash balance, if any, and the Acquired Obligations shall be deposited  
550 irrevocably with the Escrow Agent in an amount sufficient to defease and/or  
551 redeem the Refunded Bonds. The proceeds of the Bonds remaining after  
552 acquisition of the Acquired Obligations and provision for the necessary beginning  
553 cash balance shall be used to pay expenses of the acquisition and safekeeping of  
554 the Acquired Obligations and costs of issuance of the Bonds and the administrative  
555 costs of the refunding. In order to carry out the purposes of this section, the  
556 Designated Representative is authorized and directed to execute and deliver the  
557 Escrow Agreement to the Escrow Agent.

558  
559 (c) *Call for Redemption of 2010 Bonds.* The City hereby sets aside  
560 available funds of the City and sufficient funds out of the purchase of Acquired  
561 Obligations from proceeds of the Bonds to make the payments described above.  
562 The City further calls the callable Refunded Bonds for redemption on the Call Date  
563 in accordance with the provisions of the 2010 Ordinance authorizing the  
564 redemption and retirement of the 2010 Bonds prior to their fixed maturities. Said  
565 defeasance and call for redemption of the Refunded Bonds shall be irrevocable  
566 after the issuance of the Bonds and delivery of cash and/or Acquired Obligations

567 to the Escrow Agent. The Escrow Agent is hereby authorized and directed to  
568 provide for the giving of notices of defeasance and/or redemption of the Refunded  
569 Bonds in accordance with the applicable provisions of the 2010 Ordinance. The  
570 costs of publication of such notices shall be an expense of the City:  
571

572 The Escrow Agent is hereby authorized and directed to pay to the paying  
573 agent for the Refunded Bonds, sums sufficient to pay, when due, the payments  
574 specified in this section. All such sums shall be paid from the moneys and Acquired  
575 Obligations deposited with the Escrow Agent, and the income therefrom and  
576 proceeds thereof. All such sums so paid shall be credited to the Refunding Account  
577 (which is hereby authorized to be created) or other funds created under the Escrow  
578 Agreement. All moneys and Acquired Obligations deposited with the Escrow Agent  
579 and any income therefrom shall be held, invested (but only at the direction of the  
580 Director of Finance and Administration) and applied in accordance with the  
581 provisions of this ordinance, the Escrow Agreement, and with the laws of the State  
582 for the benefit of the City and owners of the Refunded Bonds.  
583

584 The City will take such actions as are found necessary to see that all  
585 necessary and proper fees, compensation and expenses of the Escrow Agent for  
586 the Refunded Bonds shall be paid when due.  
587

588 Section 8. Tax Covenants. The City will take all actions necessary to  
589 assure the exclusion of interest on the Bonds from the gross income of the owners  
590 of the Bonds to the same extent as such interest is permitted to be excluded from  
591 gross income under the Code as in effect on the date of issuance of the Bonds,  
592 including but not limited to the following:  
593

594 (a) *Private Activity Bond Limitation.* The City will assure that the  
595 proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private  
596 business tests of Section 141(b) of the Code or the private loan financing test of  
597 Section 141(c) of the Code.  
598

599 (b) *Limitations on Disposition of the Projects.* The City will not sell or  
600 otherwise transfer or dispose of (1) any personal property components of the  
601 projects refinanced with proceeds of the Bonds other than in the ordinary course  
602 of an established government program under Treasury Regulation § 1.141-2(d)(4)  
603 or (2) any real property components of such projects, unless it has received an  
604 opinion of nationally recognized Bond Counsel to the effect that such disposition  
605 will not adversely affect the treatment of interest on the Bonds as excludable from  
606 gross income for federal income tax purposes.  
607

608 (c) *Federal Guarantee Prohibition.* The City will not take any action or  
609 permit or suffer any action to be taken if the result of such action would be to  
610 cause any of the Bonds to be "federally guaranteed" within the meaning of Section  
611 149(b) of the Code.  
612

613 (d) *Rebate Requirement.* The City will take any and all actions  
614 necessary to assure compliance with Section 148(f) of the Code, relating to the

615 rebate of excess investment earnings, if any, to the federal government, to the  
616 extent that such section is applicable to the Bonds.

617

618 (e) *No Arbitrage.* The City will not take, or permit or suffer to be taken,  
619 any action with respect to the proceeds of the Bonds which, if such action had  
620 been reasonably expected to have been taken, or had been deliberately and  
621 intentionally taken, on the date of issuance of the Bonds would have caused the  
622 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

623

624 (f) *Registration Covenant.* The City will maintain a system for recording  
625 the ownership of each Bond that complies with the provisions of Section 149 of  
626 the Code until all Bonds have been surrendered and canceled.

627

628 (g) *Record Retention.* The City will retain its records of all accounting  
629 and monitoring it carries out with respect to the Bonds for at least three years  
630 after the Bonds mature or are redeemed (whichever is earlier); however, if the  
631 Bonds are redeemed and refunded, the City will retain its records of accounting  
632 and monitoring at least three years after the earlier of the maturity or redemption  
633 of the obligations that refunded the Bonds.

634

635 (h) *Compliance with Federal Tax Certificate.* The City will comply with  
636 the provisions of the Federal Tax Certificate with respect to the Bonds, which are  
637 incorporated herein as if fully set forth herein. The covenants of this section will  
638 survive payment in full or defeasance of the Bonds.

639

640 Section 9. Debt Service Fund and Provision for Tax Levy Payments.  
641 The City hereby authorizes the creation of a fund or account to be used for the  
642 payment of debt service on the Bonds (the "Debt Service Fund"). No later than the  
643 date each payment of principal of or interest on the Bonds becomes due, the City  
644 shall transmit sufficient funds, from the Debt Service Fund or from other legally  
645 available sources, to the Bond Registrar for the payment of such principal or  
646 interest. Money in the Debt Service Fund may be invested in legal investments for  
647 City funds, but only to the extent that the same are acquired, valued and disposed  
648 of at Fair Market Value. Any interest or profit from the investment of such money  
649 shall be deposited in the Debt Service Fund.

650

651 The City hereby irrevocably covenants and agrees for as long as any of the  
652 Bonds are outstanding and unpaid that each year it shall include in its budget and  
653 levy an *ad valorem* tax upon all the property within the City subject to taxation in  
654 an amount that will be sufficient, together with all other revenues and money of  
655 the City legally available for such purposes, to pay the principal of and interest on  
656 the Bonds as the same shall become due.

657

658 The City hereby irrevocably pledges that the annual tax provided for herein  
659 to be levied for the payment of such principal and interest shall be within and as  
660 a part of the property tax levy permitted to cities without a vote of the electorate,  
661 and that a sufficient portion of each annual levy to be levied and collected by the  
662 City prior to the full payment of the principal of and interest on the Bonds will be  
663 and is hereby irrevocably set aside, pledged and appropriated for the payment of

664 the principal of and interest on the Bonds. The full faith, credit and resources of  
665 the City are hereby irrevocably pledged for the annual levy and collection of such  
666 taxes and for the prompt payment of the principal of and interest on the Bonds  
667 when due.

668  
669 Section 10. Sale of Bonds.

670  
671 (a) *Bond Sale.* The Council has determined that it would be in the best  
672 interest of the City to delegate to the Designated Representative for a limited time  
673 the authority to determine the method of sale for the Bonds in one or more series  
674 and to approve the final interest rates, maturity dates, redemption terms and  
675 principal maturities for the Bonds of each series.

676  
677 The Designated Representative is hereby authorized to approve the  
678 issuance of the Bonds in one or more series and to approve whether any series of  
679 the Bonds shall be sold to an Underwriter through a competitive public sale or a  
680 negotiated public sale, as set forth below.

681  
682 (b) *Negotiated Bond Sale.* If the Designated Representative determines  
683 that a series of the Bonds are to be sold by negotiated public sale, the Designated  
684 Representative shall solicit proposals from one or more qualified underwriting firms  
685 and shall select the Underwriter that submits the proposal that is in the best  
686 interest of the City. Such series of Bonds shall be sold to the Underwriter pursuant  
687 to the terms of a Bond Purchase Contract.

688  
689 (c) *Competitive Sale.* If the Designated Representative determines that  
690 one or more series the Bonds are to be sold at a competitive public sale, the  
691 Designated Representative shall: (1) establish the date of the public sale; (2)  
692 establish the criteria by which the successful bidder will be determined; (3) request  
693 that a good faith deposit in an amount not less than one percent of the principal  
694 amount of the offering accompany each bid; (4) cause notice of the public sale to  
695 be given; and (5) provide for such other matters pertaining to the public sale as  
696 he or she deems necessary or desirable. Such Bonds shall be sold to the  
697 Underwriter pursuant to the terms of a Certificate of Award.

698  
699 (d) *Sale Parameters.* Subject to the terms and conditions set forth in  
700 this Section 10, the Designated Representative is hereby authorized to approve  
701 the method of sale and the final interest rates, aggregate principal amount,  
702 principal maturities, and redemption rights for any series of the Bonds in the  
703 manner provided hereafter so long as:

704  
705 (1) the aggregate principal amount of all Bonds does not exceed  
706 \$30,250,000,

707  
708 (2) the final maturity date for the Bonds is no later than  
709 December 1, 2040,

710  
711 (3) the Bonds of each series are sold for a price that results in  
712 a minimum aggregate net present value debt service savings over the Refunded

713 Bonds (calculated by deducting scheduled federal subsidy payments with respect  
714 to the Refunded Bonds from annual debt service and assuming continued  
715 sequestration of such payments) of at least 4.00%,

716  
717 (4) the true interest cost for the Bonds of a series (in the  
718 aggregate) does not exceed 3.25%, and

719  
720 (5) the aggregate purchase price for the Bonds of a series shall  
721 not be less than 95% of the aggregate stated principal amount of the Bonds.

722  
723 Subject to the terms and conditions set forth in this section, the Designated  
724 Representative is hereby authorized to execute the appropriate Sale Document on  
725 behalf of the City.

726  
727 Following the execution of the applicable Sale Document, the Designated  
728 Representative shall provide a report to the Council describing the final terms of  
729 the Bonds approved pursuant to the authority delegated in this section. The  
730 authority granted to the Designated Representative by this Section 10 to execute  
731 any Sale Document shall expire one year (365 days) after the effective date of this  
732 ordinance. If a Sale Document for the Bonds has not been executed by such date,  
733 the authorization for the issuance of such Bonds shall be rescinded, and such  
734 Bonds shall not be issued nor their sale approved unless such Bonds shall have  
735 been re-authorized by ordinance of the Council. The ordinance re-authorizing the  
736 issuance and sale of such Bonds may be in the form of a new ordinance repealing  
737 this ordinance in whole or in part or may be in the form of an amendatory  
738 ordinance approving a Sale Document or establishing terms and conditions for the  
739 authority delegated under this Section 10.

740  
741 (e) *Delivery of Bonds; Documentation.* The proper officials of the City,  
742 including the Designated Representative, the City Manager, the Director of Finance  
743 and Administration, the Mayor and the City Clerk, are authorized and directed to  
744 undertake all action necessary for the prompt execution and delivery of the Bonds  
745 to the Underwriter and further to execute all closing certificates and documents  
746 required to effect the closing and delivery of the Bonds in accordance with the  
747 terms of the Sale Document. Such documents may include, but are not limited to,  
748 documents related to a municipal bond insurance policy delivered by an insurer to  
749 insure the payment when due of the principal of and interest on all or a portion of  
750 the Bonds as provided therein, if such insurance is determined by the Designated  
751 Representative to be in the best interest of the City.

752  
753 Section 11. Preliminary and Final Official Statements. The Director of  
754 Finance and Administration and the City Manager are each hereby authorized to  
755 deem final the preliminary Official Statement(s) relating to the Bonds for the  
756 purposes of the Rule. The Director of Finance and Administration and the City  
757 Manager are each further authorized to approve for purposes of the Rule, on behalf  
758 of the City, the final Official Statement(s) relating to the issuance and sale of the  
759 Bonds and the distribution of the final Official Statement pursuant thereto with  
760 such changes, if any, as may be deemed to be appropriate.



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Section 12. Undertaking to Provide Ongoing Disclosure. The City covenants to execute and deliver at the time of Closing of the Bonds a Continuing Disclosure Certificate. The Designated Representative is hereby authorized to execute and deliver a Continuing Disclosure Certificate upon the issuance, delivery and sale of the Bonds with such terms and provisions as such officer shall deem appropriate and in the best interests of the City.

Section 13. Defeasance. In the event that money and/or noncallable Government Obligations, maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire part or all of the Bonds in accordance with their terms, are set aside in a special account of the City to effect such redemption and retirement, and such money and the principal of and interest on such Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Debt Service Fund for the payment of the principal of and interest on the Bonds so provided for, and such Bonds shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the money so set aside and pledged, and such Bonds shall be deemed not to be outstanding hereunder. The City shall give or cause to be given written notice of defeasance in accordance with the Continuing Disclosure Certificate.

Section 14. Lost, Stolen or Destroyed Bonds. In case any Bond or Bonds shall be lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond or Bonds of like date, number and tenor to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the City and the Bond Registrar in connection therewith and upon his/her filing with the City evidence satisfactory to the City that such Bond was actually lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the City and/or the Bond Registrar with indemnity satisfactory to the City and the Bond Registrar.

Section 15. Severability; Ratification. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds. All acts taken pursuant to the authority granted in this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 16. Corrections by Clerk. Upon approval of the City Attorney and Bond Counsel and without further action of the Council, the City Clerk is hereby authorized to make necessary corrections to this ordinance, including but not limited to the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; ordinance numbering and section/subsection numbering; and other similar necessary corrections.

PUBLICATION SUMMARY  
OF ORDINANCE NO. 4719

AN ORDINANCE OF THE CITY OF KIRKLAND, WASHINGTON, AUTHORIZING THE ISSUANCE OF LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$30,250,000 FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE CITY AND PAYING COSTS OF ISSUING THE BONDS; DELEGATING CERTAIN AUTHORITY TO APPROVE THE METHOD OF SALE AND FINAL TERMS OF THE BONDS; AND AUTHORIZING OTHER RELATED MATTERS.

Section 1. Defines certain capitalized terms used in the Ordinance.

Section 2. Sets forth findings of the Council, and authorizes the issuance and sale of the City's limited tax general obligation refunding bonds in an aggregate principal amount not to exceed \$30,250,000 (the "Bonds") for the purpose of defeasing and refunding the City's outstanding Limited Tax General Obligation Bonds, 2010A (Taxable Build America Bonds – Direct Payment) (the "Refunded Bonds") and paying costs of issuance of the Bonds.

Section 3. Adopts a system of registration and exchange for the Bonds and describes the arrangements for paying principal of and interest on the Bonds.

Section 4. Provides for the redemption of the Bonds prior to their scheduled maturities to the extent, if any, set forth in the applicable bond purchase agreement or certificate of award (the "Sale Document") pursuant to which the Bonds will be sold to an underwriter.

Section 5. Describes the form of the Bonds.

Section 6. Specifies the manner of the execution and authentication of the Bonds.

Section 7. Authorizes the application of Bond proceeds for the defeasance and refunding of the Refunded Bonds in accordance with an escrow deposit agreement to be executed by the City and an escrow agent, and calls the callable Refunded Bonds for redemption on their earliest call date.

Section 8. Covenants that the City will take all actions necessary to exclude interest on the Bonds from the gross income of the owners for federal income tax purposes.

Section 9. Provides for the payment of debt service on the Bonds from property tax levies permitted to the City without a vote of the people or from other legally available sources, and pledges the full faith, credit and resources of the City for the levy and collection of such taxes and the prompt payment of debt service on the Bonds.

Section 10. Delegates authority, for a limited time, to determine whether the Bonds will be offered through a competitive public sale or a negotiated

public sale and to execute a Sale Document specifying the financial terms of the Bonds within parameters adopted by the City Council; and authorizes all actions necessary to execute and deliver the Bonds in accordance with the terms of the Sale Document.

Section 11. Delegates authority to approve the preliminary and final Official Statements in connection with the offering of the Bonds to the public.

Section 12. Covenants that the City will execute and deliver at closing a continuing disclosure certificate for the benefit of the owners of the Bonds.

Section 13. Sets forth conditions under which the Bonds may be defeased.

Section 14. Provides for the authentication and delivery of new Bonds as may be necessary to replace any Bonds that are lost, stolen or destroyed.

Section 15. Provides for the severability of the Ordinance and ratifies prior actions taken in furtherance of the purposes of the Ordinance.

Section 16. Authorizes the City Clerk to correct any clerical errors in the Ordinance, with approval of the City Attorney and the City's bond counsel.

Section 17. States the effective date of the Ordinance.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the 7 day of April, 2020.

I certify that the foregoing is a summary of Ordinance No. 4719 approved by the Kirkland City Council for summary publication.

  
\_\_\_\_\_  
Kathi Anderson, City Clerk

## ATTACHMENT A

### LTGO Bonds, 2010 (Build America Bonds) Refunding Summary

Year	Series 2010 Bonds				Advance - Current Rates		Current - Current Rates		Break-Even <sup>1</sup>	
	Principal	Gross Interest	BAB Subsidy (32.935%)	Net Total	Debt Service	Savings	Debt Service	Savings	Debt Service	Savings
2020		1,487,505	(489,910)	997,595	640,121	357,474	738,683	258,912	740,370	257,225
2021	805,000	1,487,505	(489,910)	1,802,595	1,558,800	243,795	1,525,200	277,395	1,548,400	254,195
2022	1,000,000	1,453,695	(478,774)	1,974,921	1,728,600	246,321	1,695,600	279,321	1,718,400	256,521
2023	1,030,000	1,409,695	(464,283)	1,975,412	1,730,600	244,812	1,698,200	277,212	1,720,600	254,812
2024	1,060,000	1,362,315	(448,678)	1,973,637	1,726,200	247,437	1,694,400	279,237	1,716,400	257,237
2025	1,095,000	1,311,965	(432,096)	1,974,869	1,730,600	244,269	1,694,400	280,469	1,721,000	253,869
2026	1,125,000	1,258,310	(414,424)	1,968,886	1,723,400	245,486	1,688,000	280,886	1,714,000	254,886
2027	1,165,000	1,200,935	(395,528)	1,970,407	1,725,000	245,407	1,690,400	280,007	1,715,800	254,607
2028	1,205,000	1,139,773	(375,384)	1,969,388	1,725,000	244,388	1,691,200	278,188	1,716,000	253,388
2029	1,245,000	1,074,703	(353,953)	1,965,749	1,718,400	247,349	1,685,400	280,349	1,709,600	256,149
2030	1,290,000	1,006,228	(331,401)	1,964,826	1,720,400	244,426	1,683,200	281,626	1,711,800	253,026
2031	1,340,000	934,633	(307,821)	1,966,811	1,720,600	246,211	1,689,400	277,411	1,712,200	254,611
2032	1,390,000	859,593	(283,107)	1,966,486	1,719,000	247,486	1,688,600	277,886	1,710,800	255,686
2033	1,440,000	777,930	(256,211)	1,961,719	1,715,600	246,119	1,681,000	280,719	1,707,600	254,119
2034	1,495,000	693,330	(228,348)	1,959,982	1,715,400	244,582	1,681,800	278,182	1,702,600	257,382
2035	1,555,000	605,499	(199,421)	1,961,078	1,718,200	242,878	1,680,600	280,478	1,705,800	255,278
2036	1,610,000	514,143	(169,333)	1,954,810	1,708,800	246,010	1,672,400	282,410	1,696,800	258,010
2037	1,675,000	419,555	(138,180)	1,956,375	1,712,600	243,775	1,677,400	278,975	1,701,000	255,375
2038	1,735,000	320,730	(105,632)	1,950,098	1,704,000	246,098	1,670,000	280,098	1,692,800	257,298
2039	1,800,000	218,365	(71,919)	1,946,446	1,703,400	243,046	1,665,600	280,846	1,692,600	253,846
2040	1,870,000	111,265	(36,645)	1,944,620	1,700,400	244,220	1,664,000	280,620	1,690,000	254,620
	\$26,930,000	\$19,647,669	-\$6,470,960	\$40,106,709	\$34,845,121	\$5,261,588	\$34,255,483	\$5,851,226	\$34,744,570	\$5,362,139
				TIC%		2.02%		2.02%		2.17%
				Cash Flow Savings		\$5,261,588		\$5,851,226		\$5,362,139
				NPV Savings		\$4,640,736		\$5,193,218		\$4,673,691
				NPV% of Refunded Bonds		17.23%		19.28%		17.35%
				Escrow Negative Carry		124,804		\$15,045		\$22,039
				Refunding Efficiency		97%		100%		100%
				Breakeven Margin						20bps
				Issue Date		5/15/2020		10/15/2020		10/15/2020

Notes:

<sup>1</sup> Represents an approximate equivalent net result to the refunding accomplished at 4/15/20

<sup>2</sup> Savings reflects the amount of net prior debt for the Current and Break-even scenarios is \$498,798 compared to \$997,565 at the time of the advance refunding at 4/15/2020



ATTACHMENT B

**City of Kirkland, Washington  
Limited Tax General Obligation Refunding Bonds, 2020**

**Schedule of Events  
(As of 3/9/2020)**

JANUARY							FEBRUARY							MARCH							APRIL						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4							1	1	2	3	4	5	6	7				1	2	3	4
5	6	7	8	9	10	11	2	3	4	5	6	7	8	8	9	10	11	12	13	14	5	6	7	8	9	10	11
12	13	14	15	16	17	18	9	10	11	12	13	14	15	15	16	17	18	19	20	21	12	13	14	15	16	17	18
19	20	21	22	23	24	25	16	17	18	19	20	21	22	22	23	24	25	26	27	28	19	20	21	22	23	24	25
26	27	28	29	30	31	23	24	25	26	27	28	29	29	30	31	26	27	28	29	30							

Issuer	City of Kirkland	City
City Council	City of Kirkland City Council	Council
Bond Counsel	Pacifica Law Group	BC
Financial Advisor	PFM Financial Advisors LLC	FA
Verification	TBD	CPA
Escrow Agent	U.S. Bank National Association	Escrow
Working Group	City/FA/BC/Escrow	WG

Date	Day	Event	Responsible Party
1/9	Thurs	• First draft Bond Ordinance distributed	BC
2/7	Fri	• Council meeting to discuss financing	City/Council/FA/BC
2/17	Mon	• <i>President's Day</i>	
3/11	Wed	• Send information requirements for Preliminary Official Statement (POS) to the City	BC
3/20	Fri	• Second draft Bond Ordinance Distributed	BC
3/25	Wed	• POS information due from the City	City
3/27	Fri	• Comments due on second draft Bond Ordinance	WG
3/31	Tues	• First draft POS Circulated to Working Group • Final Bond Ordinance forwarded to Council	BC
4/3	Fri	• Comments due on first draft POS	WG
4/7	Tues	• Bond Ordinance adopted	WG
4/8	Wed	• Second draft POS Circulated to Working Group	BC
4/9	Thurs	• First review of draft rating agency presentation	City/FA
4/15	Mon	• Comments due on second draft POS	WG
4/15	Wed	• Second review of draft rating agency presentation	City/FA
4/17	Fri	• Rating Agency Call(s)	City/FA
4/20	Mon	• 3 <sup>rd</sup> Draft POS Circulated	BC
4/22	Wed	• Draft CPA Verification Report Circulated	CPA
4/23	Thurs	• Due Diligence Call & Final POS Signoff	WG
4/24	Fri	• Rating Confirmation	City/PFM
4/27	Mon	• POS Posted	BC
5/5	Tues	• Bond Sale • CPA Verbal Confirmation • Submit SLG Subscription	WG CPA Escrow

Date	Day	Event	Responsible Party
5/6	Wed	• CPA Final Verification Report Delivered	CPA
5/7	Thurs	• Final OS distributed to Working Group for review	BC
5/8	Fri	• Comments due on Final OS • Closing Memorandum Circulated	WG FA
5/11	Mon	• Final OS delivered for posting	BC
5/15	Fri	• <b>Bond Closing</b>	<b>WG</b>

**Exhibit A**

Form of Bond

[DTC LANGUAGE]

UNITED STATES OF AMERICA

NO. \_\_\_\_

\$ \_\_\_\_\_

STATE OF WASHINGTON

CITY OF KIRKLAND

LIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 20[\_\_]

INTEREST RATE:     %

MATURITY DATE:

CUSIP NO.:

REGISTERED OWNER:     CEDE & Co.

PRINCIPAL AMOUNT:

The City of Kirkland, Washington (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from \_\_\_\_\_, 20\_\_, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on \_\_\_\_\_ 1, 20\_\_, and semiannually thereafter on the first days of each succeeding \_\_\_\_\_ and \_\_\_\_\_. Both principal of and interest on this bond are payable in lawful money of the United States of America. The fiscal agent of the State of Washington has been appointed by the City as the authenticating agent, paying agent and registrar for the bonds of this issue (the "Bond Registrar"). For so long as the bonds of this issue are held in fully immobilized form, payments of principal thereof and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") from the City to DTC.

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and Ordinance No. \_\_\_\_ duly passed by the City Council on April 7, 2020 (the "Bond Ordinance"). Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

This bond is one of an authorized issue of bonds of like date, tenor, rate of interest and date of maturity, except as to number and amount in the aggregate principal amount of \$\_\_\_\_\_ and is issued pursuant to the Bond Ordinance to provide a portion of the funds

necessary (a) to defease and refund certain limited tax general obligation bonds of the City, and (b) to pay costs of issuance and costs related to the administration of the refunding.

[insert description of redemption or prepayment terms]

The City hereby irrevocably covenants and agrees with the owner of this bond that it will include in its annual budget and levy ad valorem taxes annually, within and as a part of the tax levy permitted to the City without a vote of the electorate, upon all the property subject to taxation in amounts sufficient, together with other money legally available therefor, to pay the principal of and interest on this bond as the same shall become due on and after such date. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

The pledge of tax levies for payment of principal of and interest on the bonds may be discharged prior to maturity of the bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist and to have happened, been done and performed precedent to and in the issuance of this bond exist and have happened, been done and performed and that the issuance of this bond and the bonds of this issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Kirkland, Washington, has caused this bond to be executed by the manual or facsimile signatures of the Mayor and the City Clerk and the seal of the City to be imprinted, impressed or otherwise reproduced hereon as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

[SEAL]

CITY OF KIRKLAND, WASHINGTON

By \_\_\_\_\_/s/ manual or facsimile\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_/s/ manual or facsimile\_\_\_\_\_  
City Clerk



CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is one of the Limited Tax General Obligation Refunding Bonds, 20\_\_\_\_, of the City of Kirkland, Washington, dated \_\_\_\_\_, 20\_\_\_\_.

WASHINGTON STATE FISCAL AGENT, as  
Bond Registrar

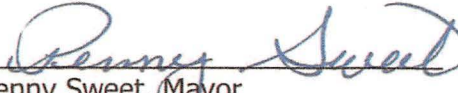
By \_\_\_\_\_

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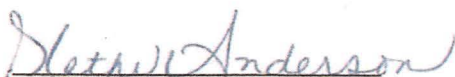
Section 17. Effective Date of Ordinance. This ordinance shall be in full force and effect five days from and after its passage by the Kirkland City Council and publication of a summary of this ordinance in accordance with Kirkland Municipal Code 1.08.017.

Passed by majority vote of the Kirkland City Council in open meeting this 7th day of April, 2020.

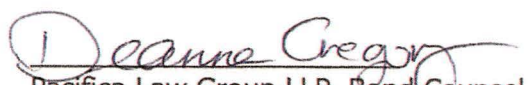
Signed in authentication thereof this 7th day of April, 2020

  
Penny Sweet, Mayor

Attest:

  
Kathi Anderson, City Clerk

Approved as to Form:

  
Pacifica Law Group LLP, Bond Counsel

Publication Date: 04/16/20