

ORDINANCE NO. 3371

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KIRKLAND, WASHINGTON, APPROVING A LOAN AGREEMENT WITH THE STATE OF WASHINGTON DEPARTMENT OF COMMUNITY DEVELOPMENT FOR A PUBLIC WORKS TRUST FUND LOAN.

WHEREAS, the Department of Public Works of the City of Kirkland, Washington (the "City"), is undertaking a project consisting of the replacement of approximately 3,400 lineal feet of sewer line from 10th Avenue South to Marine Park along Lake Street (the "Lake Street Sewer Line Replacement Project"); and

WHEREAS, 30% of the anticipated costs of the Lake Street Sewer Line Replacement Project will be paid from part of the proceeds of the City's 1992 water and sewer revenue bonds; and

WHEREAS, the remaining 70% of the anticipated costs will be paid from a Public Works Trust Fund Loan administered by the State of Washington Department of Community Development ("DCD") in the amount of \$823,368 (the "Loan"), repayable from revenues of the City's water and sewer utility ("Utility") over a term of 20 years and bearing interest on unpaid principal at a rate of one percent per annum; and

WHEREAS, DCD has provided a form of Construction Loan Agreement Number PW-5-93-280-024 to the Department of Public Works and the Director of Administration and Finance for approval by the City;

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


Section 1. Approval of Project, Loan and Loan Agreement. The City Council hereby approves the undertaking of the Lake Street Sewer Line Replacement Project as additions and betterments to the City's combined system of water and sewerage (the "Utility"). For the purpose of paying part of the costs of the Lake Street Sewer Line Replacement Project, the City shall borrow the sum of \$823,368 as a Public Work Trust Fund Loan (the "Loan") under the terms of a Construction Loan Agreement, substantially in the form on file with the Department of Public Works and the Director of Administration and Finance. The City's Director of Administration and Finance is hereby authorized and directed to execute the Loan Agreement on behalf of the City, with only those insubstantial changes to the Loan Agreement as he deems necessary or appropriate, such agreement to become effective only upon the execution thereof by DCD.

Section 2. Pledge. The obligations of the City under the Loan Agreement shall be payable solely from the revenues of the Utility, subordinate to the lien thereon of all outstanding parity revenue bonds and any parity revenue bonds issued by the City in the future. The Loan Agreement shall not constitute a general obligation of the City.

Section 3. Effective Date. This ordinance shall become effective five days from and after its passage by the Kirkland City Council and publication, as required by law.

PASSED by majority vote of the Kirkland City Council in regular, open meeting this 15th day of June, 1993.

SIGNED in authentication thereof this 15th day of June, 1993



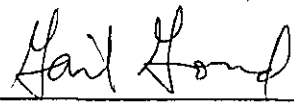
Mayor

Attest:



City Clerk

Approved as to Form:



City Attorney