

ORDINANCE NO. O-4871

AN ORDINANCE OF THE CITY OF KIRKLAND, WASHINGTON, AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF LIMITED TAX GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$43,900,000 FOR THE PURPOSE OF FINANCING THE COSTS RELATED TO ACQUIRING, CONSTRUCTING, IMPROVING, EQUIPPING AND/OR RENOVATING CITY TRANSPORTATION PROJECTS AND CITY FIRE AND PUBLIC SAFETY FACILITIES AND PAYING COSTS OF ISSUING THE BONDS; DELEGATING CERTAIN AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS; AND AUTHORIZING OTHER RELATED MATTERS.

1 WHEREAS, the City Council (the "Council") of the City of Kirkland,
2 Washington (the "City"), has deemed it in the best interest of the City to acquire,
3 design, construct, develop, improve, equip and furnish certain City transportation
4 projects and City fire and public safety facilities (the "Projects"); and
5

6 WHEREAS, the Council deems it in the best interest of the City to issue
7 one or more series of limited tax general obligation bonds (as further described
8 herein, the "Bonds") for the purpose of paying and/or reimbursing the City for costs
9 of the Projects and paying costs of issuing the Bonds;
10

11 WHEREAS, the Council wishes to delegate authority to the City Manager
12 and the Director of Finance and Administration (each, a "Designated
13 Representative"), for a limited time, to approve the method of sale and the interest
14 rates, maturity dates, redemption terms and principal maturities for each series of
15 Bonds within the parameters set by this ordinance;
16

17 NOW, THEREFORE, the City Council of the City of Kirkland does ordain
18 as follows:
19

20 Section 1. Definitions. As used in this ordinance, the following words
21 and terms shall have the following meanings, unless the context or use indicates
22 another or different meaning or intent. Unless the context indicates otherwise,
23 words importing the singular number shall include the plural number and vice
24 versa.
25

26 *Beneficial Owner* means any person that has or shares the power, directly
27 or indirectly, to make investment decisions concerning ownership of any Bonds
28 (including persons holding Bonds through nominees, depositories, or other
29 intermediaries).
30

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

35 *Bond Register* means the registration books showing the name, address
36 and tax identification number of each Registered Owner of the Bonds, maintained
37 for the Bonds in the manner required pursuant to Section 149(a) of the Code.
38

39 *Bond Registrar* means, initially, the fiscal agent of the State, for the
40 purposes of registering and authenticating the Bonds, maintaining the Bond
41 Register, effecting transfer of ownership of the Bonds and paying interest on and
42 principal of the Bonds.
43

44 *Bonds* mean the limited tax general obligation bonds authorized to be
45 issued pursuant to this ordinance.
46

47 *Certificate of Award* means one or more certificates, if any, for the purchase
48 of any Bonds sold by competitive sale awarding the Bonds to the successful bidder
49 as set forth in Section 10 of this ordinance.
50

51 *City* means the City of Kirkland, Washington, a municipal corporation duly
52 organized and existing by virtue of the laws of the State.
53

54 *City Attorney* means the duly appointed and acting City Attorney of the City,
55 including anyone acting in such capacity for the position, or the successor to the
56 duties of that office.
57

58 *City Clerk* means the duly appointed and acting City Clerk of the City or the
59 successor to the duties of that office.
60

61 *City Manager* means the duly appointed and acting City Manager of the
62 City or the successor to the duties of such office.
63

64 *Closing* means the date of issuance and delivery of the Bonds to the
65 Underwriter.
66

67 *Code* means the Internal Revenue Code of 1986 as in effect on the date of
68 issuance of the Bonds or (except as otherwise referenced herein) as it may be
69 amended to apply to obligations issued on the date of issuance of the Bonds,
70 together with applicable proposed, temporary and final regulations promulgated,
71 and applicable official public guidance published, under the Code.
72

73 *Commission* means the United States Securities and Exchange
74 Commission.
75

76 *Continuing Disclosure Certificate* means one or more written undertakings
77 for the benefit of the owners and Beneficial Owners of the Bonds as required by
78 Section (b)(5) of the Rule.
79

80 *Council* or *City Council* means the Kirkland City Council, the general
81 legislative body of the City, as the same is duly and regularly constituted from time
82 to time.
83

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

86
87 *Designated Representative* means the City Manager and the Director of
88 Finance and Administration, or any other officer or employee of the City appointed
89 in writing by either of them. The signature of one Designated Representative shall
90 be sufficient to bind the City.

91
92 *Director of Finance and Administration* means the City's Director of Finance
93 and Administration or the successor to the duties of that office.

94
95 *District* means the Kirkland Transportation Benefit District established by
96 the City in 2014 pursuant to chapter 36.73 RCW and Ordinance No. O-4435 of the
97 City Council, the powers of which were assumed by the City in 2022 pursuant to
98 Ordinance O-4783, as each may be amended from time to time.

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

102
103 *Fair Market Value* means the price at which a willing buyer would purchase
104 an investment from a willing seller in a bona fide, arm's-length transaction, except
105 for specified investments as described in Treasury Regulation § 1.148-5(d)(6),
106 including United States Treasury obligations, certificates of deposit, guaranteed
107 investment contracts, and investments for yield restricted defeasance escrows.
108 Fair Market Value is generally determined on the date on which a contract to
109 purchase or sell an investment becomes binding, and, to the extent required by
110 the applicable regulations under the Code, the term "investment" will include a
111 hedge.

112
113 *Federal Tax Certificate* means one or more certificates executed by a
114 Designated Representative setting forth the requirements of the Code for
115 maintaining the tax exemption of interest on the Bonds to be dated as of the date
116 of Closing for such Bonds, and attachments thereto.

117
118 *Government Obligations* means those obligations now or hereafter defined
119 as such in chapter 39.53 RCW constituting direct obligations of, or obligations the
120 principal of and interest on which are unconditionally guaranteed by, the United
121 States of America, as such chapter may be hereafter amended or restated.

122
123 *Letter of Representations* means the Blanket Issuer Letter of
124 Representations from the City to DTC.

125
126 *Mayor* means the duly elected and acting Mayor of the City or the
127 successor to the duties of such office.

128
129 *MSRB* means the Municipal Securities Rulemaking Board or any
130 successors to its functions.

131
132 *Official Statement* means the disclosure document(s) prepared and
133 delivered in connection with the issuance of the Bonds.

134

135 *Project Fund* means the account created pursuant to Section 7 of this
136 ordinance.

137
138 *Projects* mean the Public Safety Projects and the Transportation Projects.
139

140 *Public Safety Projects* mean the acquisition, design, construction,
141 development, improvement, equipping and furnishing of City fire and public safety
142 facilities, including but not limited to fire station 27, fire station 26, and fire station
143 21.

144
145 *Record Date* means the close of business for the Bond Registrar that is 15
146 days preceding any interest and/or principal payment or redemption date.

147
148 *Registered Owner* means the person named as the registered owner of a
149 Bond in the Bond Register. For so long as the Bonds are held in book entry only
150 form, DTC or its nominee shall be deemed to be the sole Registered Owner.

151
152 *Rule* means the Commission's Rule 15c2-12 under the Securities
153 Exchange Act of 1934, as the same may be amended from time to time.

154
155 *State* means the State of Washington.

156
157 *Transportation Projects* mean the acquisition, design, construction,
158 development, improvement, equipping and furnishing of City transportation
159 improvement projects that are eligible transportation benefit district projects as
160 described in chapter 36.73 RCW and contained in the City's Transportation Plan,
161 as it may be amended from time to time.

162 *Underwriter* means the initial purchaser for the Bonds selected pursuant to
163 Section 10.

164
165 *VLF Revenue* means revenue remitted to the City from the Vehicle License
166 Fees.

167
168 *Vehicle License Fees* or *VLF* means the annual vehicle license fees
169 imposed by the City (acting through its assumed powers of the District) on
170 qualifying vehicles in accordance with chapter 36.73 RCW and RCW 82.80.140,
171 as each may be amended from time to time, and currently imposed in the amount
172 of \$20.00.

173
174 Section 2. Findings; Purpose and Authorization of Bonds.

175
176 (a) *Findings.* The City hereby finds that it is in the best interest of the
177 City and its residents that it acquire, design, construct, develop, improve, equip
178 and furnish the Projects. The Projects, as more fully described in the plans and
179 specifications prepared by and filed with the City, are hereby approved. The cost
180 of all necessary appraisals, negotiation, closing, architectural, engineering,
181 financial, legal and other consulting services, inspection and testing, demolition,
182 administrative and relocation expenses and other costs incurred in connection with
183 the foregoing capital projects shall be deemed a part of the capital costs of each
184 such Project. Such Projects shall be complete with all necessary equipment and

185 appurtenances. The City will determine the exact specifications for the Projects,
186 and the components thereof, as well as the timing, order, and manner of
187 completing the components of the Projects. The City may alter, make substitutions
188 to, and amend the Projects as it determines are in the best interests of the City
189 and consistent with State law.

190
191 (b) *Purpose and Authorization of Bonds.* For the purpose of paying
192 and/or reimbursing the City for costs of the Projects and paying costs of issuance,
193 the City is hereby authorized to issue and sell one or more series of limited tax
194 general obligation bonds in an aggregate principal amount not to exceed
195 \$43,900,000 (the "Bonds").
196

197 The Bonds shall be general obligations of the City, shall be designated "City
198 of Kirkland, Washington, Limited Tax General Obligation Bonds," with the year and
199 any series or other designation as determined by a Designated Representative.
200 The Bonds of each series shall be dated as of the date of Closing; shall be fully
201 registered as to both principal and interest; shall be in the denomination of \$5,000
202 each, or any integral multiple thereof, within a series and maturity; shall be
203 numbered separately in such manner and with any additional designation as the
204 Bond Registrar deems necessary for purposes of identification; shall bear interest
205 from their date payable on the dates and commencing as provided in the Certificate
206 of Award; and shall be subject to optional and/or mandatory redemption and
207 mature on the dates and in the principal amounts set forth in the Certificate of
208 Award, as approved and executed by a Designated Representative pursuant to
209 Section 10 of this ordinance.
210

211 Section 3. Registration, Exchange and Payments.
212

213 (a) *Bond Registrar/Bond Register.* The City hereby specifies and
214 adopts the system of registration approved by the Washington State Finance
215 Committee from time to time through the appointment of a state fiscal agent. The
216 City shall cause a Bond Register to be maintained by the Bond Registrar. So long
217 as any Bonds remain outstanding, the Bond Registrar shall make all necessary
218 provisions to permit the exchange or registration or transfer of Bonds at its
219 designated office. The Bond Registrar may be removed at any time at the option
220 of the Director of Finance and Administration upon prior notice to the Bond
221 Registrar and a successor Bond Registrar appointed by the Director of Finance
222 and Administration. No resignation or removal of the Bond Registrar shall be
223 effective until a successor shall have been appointed and until the successor Bond
224 Registrar shall have accepted the duties of the Bond Registrar hereunder. The
225 Bond Registrar is authorized, on behalf of the City, to authenticate and deliver
226 Bonds transferred or exchanged in accordance with the provisions of such Bonds
227 and this ordinance and to carry out all of the Bond Registrar's powers and duties
228 under this ordinance. The Bond Registrar shall be responsible for its
229 representations contained in the certificate of authentication of the Bonds.
230

231 (b) *Registered Ownership.* The City and the Bond Registrar, each in its
232 discretion, may deem and treat the Registered Owner of each Bond as the
233 absolute owner thereof for all purposes (except as otherwise provided in this
234 ordinance or in the Continuing Disclosure Certificate), and neither the City nor the
235 Bond Registrar shall be affected by any notice to the contrary. Payment of any

236 such Bond shall be made only as described below, but such Bond may be
237 transferred as provided herein. All such payments made as described below shall
238 be valid and shall satisfy and discharge the liability of the City upon such Bond to
239 the extent of the amount or amounts so paid.

240
241 (c) *DTC Acceptance/Letters of Representations.* The Bonds initially
242 shall be held in fully immobilized form by DTC acting as depository. The City has
243 executed and delivered to DTC the Letter of Representations. Neither the City nor
244 the Bond Registrar shall have any responsibility or obligation to DTC participants
245 or the persons for whom they act as nominees (or any successor depository) with
246 respect to the Bonds in respect of the accuracy of any records maintained by DTC
247 (or any successor depository) or any DTC participant, the payment by DTC (or any
248 successor depository) or any DTC participant of any amount in respect of the
249 principal of or interest on Bonds, any notice which is permitted or required to be
250 given to Registered Owners under this ordinance (except such notices as shall be
251 required to be given by the City to the Bond Registrar or to DTC (or any successor
252 depository)), or any consent given or other action taken by DTC (or any successor
253 depository) as the Registered Owner. For so long as any Bonds are held by a
254 depository, DTC or its successor depository or its nominee shall be deemed to be
255 the Registered Owner for all purposes hereunder, and all references herein to the
256 Registered Owners shall mean DTC (or any successor depository) or its nominee
257 and shall not mean the owners of any beneficial interest in such Bonds.

258
259 (d) *Use of Depository.*

260
261 (1) The Bonds shall be registered initially in the name of
262 "Cede & Co.", as nominee of DTC, with one Bond maturing on each of the maturity
263 dates for the Bonds in a denomination corresponding to the total principal therein
264 designated to mature on such date. Registered ownership of such immobilized
265 Bonds, or any portions thereof, may not thereafter be transferred except (A) to any
266 successor of DTC or its nominee, provided that any such successor shall be
267 qualified under any applicable laws to provide the service proposed to be provided
268 by it; (B) to any substitute depository appointed by the Director of Finance and
269 Administration pursuant to subsection (2) below or such substitute depository's
270 successor; or (C) to any person as provided in subsection (4) below.

271
272 (2) Upon the resignation of DTC or its successor (or any
273 substitute depository or its successor) from its functions as depository or a
274 determination by the Director of Finance and Administration to discontinue the
275 system of book entry transfers through DTC or its successor (or any substitute
276 depository or its successor), the Director of Finance and Administration may
277 hereafter appoint a substitute depository. Any such substitute depository shall be
278 qualified under any applicable laws to provide the services proposed to be
279 provided by it.

280 (3) In the case of any transfer pursuant to clause (A) or (B) of
281 subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding
282 Bonds, together with a written request on behalf of the Director of Finance and
283 Administration, issue a single new Bond for each maturity then outstanding,
284 registered in the name of such successor or such substitute depository, or their
285 nominees, as the case may be, all as specified in such written request of the
286 Director of Finance and Administration.

287
288 (4) In the event that (A) DTC or its successor (or substitute
289 depository or its successor) resigns from its functions as depository, and no
290 substitute depository can be obtained, or (B) the Director of Finance and
291 Administration determines that it is in the best interest of the Beneficial Owners of
292 the Bonds that such owners be able to obtain physical bond certificates, the
293 ownership of such Bonds may then be transferred to any person or entity as herein
294 provided, and shall no longer be held by a depository. The Director of Finance and
295 Administration shall deliver a written request to the Bond Registrar, together with
296 a supply of physical Bonds, to issue Bonds as herein provided in any authorized
297 denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds
298 together with a written request on behalf of the Director of Finance and
299 Administration to the Bond Registrar, new Bonds shall be issued in the appropriate
300 denominations and registered in the names of such persons as are requested in
301 such written request.
302

303 (e) *Registration of Transfer of Ownership or Exchange; Change in*
304 *Denominations.* The transfer of any Bond may be registered and Bonds may be
305 exchanged, but no transfer of any such Bond shall be valid unless it is surrendered
306 to the Bond Registrar with the assignment form appearing on such Bond duly
307 executed by the Registered Owner or such Registered Owner's duly authorized
308 agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the
309 Bond Registrar shall cancel the surrendered Bond and shall authenticate and
310 deliver, without charge to the Registered Owner or transferee therefor, a new
311 Bond(s) (or Bonds at the option of the new Registered Owner) of the same series,
312 date, maturity and interest rate and for the same aggregate principal amount in
313 any authorized denomination, naming as Registered Owner the person or persons
314 listed as the assignee on the assignment form appearing on the surrendered Bond,
315 in exchange for such surrendered and cancelled Bond. Any Bond may be
316 surrendered to the Bond Registrar and exchanged, without charge, for an equal
317 aggregate principal amount of Bonds of the same series, date, maturity, and
318 interest rate, in any authorized denomination. The Bond Registrar shall not be
319 obligated to register the transfer of or to exchange any Bond during the 15 days
320 preceding any principal payment or redemption date.
321

322 (f) *Bond Registrar's Ownership of Bonds.* The Bond Registrar may
323 become the Registered Owner of any Bond with the same rights it would have if it
324 were not the Bond Registrar, and to the extent permitted by law, may act as
325 depository for and permit any of its officers or directors to act as a member of, or
326 in any other capacity with respect to, any committee formed to protect the right of
327 the Registered Owners or Beneficial Owners of Bonds.
328

329 (g) *Place and Medium of Payment.* Both principal of and interest on the
330 Bonds shall be payable in lawful money of the United States of America. Interest
331 on the Bonds shall be calculated on the basis of a year of 360 days and twelve
332 30-day months. For so long as all Bonds are held by a depository, payments of
333 principal thereof and interest thereon shall be made as provided in accordance
334 with the operational arrangements of DTC referred to in the Letter of
335 Representations. In the event that the Bonds of a series are no longer held by a
336 depository, interest on such Bonds shall be paid by check or draft mailed to the
337 Registered Owners at the addresses for such Registered Owners appearing on

338 the Bond Register on the Record Date, or upon the written request of a Registered
339 Owner of more than \$1,000,000 of such Bonds (received by the Bond Registrar at
340 least by the Record Date), such payment shall be made by the Bond Registrar by
341 wire transfer to the account within the United States designated by the Registered
342 Owner. Principal of the Bonds shall be payable upon presentation and surrender
343 of such Bonds by the Registered Owners at the designated office of the Bond
344 Registrar.

345

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

350

351 Section 4. Redemption and Purchase of Bonds.

352

353 (a) *Redemption of Bonds.* The Bonds of each series shall be subject to
354 mandatory redemption to the extent, if any, as set forth in the Certificate of Award
355 and as approved by a Designated Representative pursuant to Section 10. The
356 Bonds of each series shall be subject to optional redemption and/or prepayment
357 on the dates, at the prices and under the terms set forth in the Certificate of Award
358 approved by a Designated Representative pursuant to Section 10.

359

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

363

364 (c) *Selection of Bonds for Redemption.* If the Bonds are held in
365 book-entry only form, the selection of particular Bonds within a series and maturity
366 to be redeemed shall be made in accordance with the operational arrangements
367 then in effect at DTC. If the Bonds are no longer held by a depository, the selection
368 of such Bonds to be redeemed and the surrender and reissuance thereof, as
369 applicable, shall be made as provided in the following provisions of this
370 subsection (c). If the City redeems at any one time fewer than all of the Bonds of
371 a series having the same maturity date, the particular Bonds or portions of Bonds
372 of such series and maturity to be redeemed shall be selected by lot (or in such
373 manner determined by the Bond Registrar) in increments of \$5,000. In the case of
374 a Bond of a denomination greater than \$5,000, the City and the Bond Registrar
375 shall treat each Bond as representing such number of separate Bonds each of the
376 denomination of \$5,000 as is obtained by dividing the actual principal amount of
377 such Bond by \$5,000. In the event that only a portion of the principal sum of a
378 Bond is redeemed, upon surrender of such Bond at the designated office of the
379 Bond Registrar there shall be issued to the Registered Owner, without charge
380 therefor, for the then unredeemed balance of the principal sum thereof, at the
381 option of the Registered Owner, a Bond or Bonds of like maturity and interest rate
382 in any of the denominations herein authorized.

383

384 (d) *Notice of Redemption or Prepayment.*

385

386 (1) Official Notice. For so long as the Bonds are held by a
387 depository, notice of redemption (which notice may be conditional) shall be given
388 in accordance with the operational arrangements of DTC as then in effect, and

389 neither the City nor the Bond Registrar will provide any notice of redemption to any
 390 Beneficial Owners. Thereafter (if the Bonds are no longer held in uncertificated
 391 form), notice of redemption shall be given in the manner hereinafter provided.
 392 Unless waived by any owner of Bonds to be redeemed, official notice of any such
 393 redemption shall be given by the Bond Registrar on behalf of the City by mailing a
 394 copy of an official redemption notice by first class mail at least 20 days and not
 395 more than 60 days prior to the date fixed for redemption to the Registered Owner
 396 of the Bond or Bonds to be redeemed at the address shown on the Bond Register
 397 or at such other address as is furnished in writing by such Registered Owner to the
 398 Bond Registrar.

399

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

401

402 (A) the redemption date,

403

404 (B) the redemption price,

405

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

409

410 (D) any conditions to redemption,

411

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

416

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

420

421 On or prior to any redemption date, unless any condition to such
 422 redemption has not been satisfied or waived or notice of such redemption has been
 423 rescinded, the City shall deposit with the Bond Registrar an amount of money
 424 sufficient to pay the redemption price of all the Bonds or portions of Bonds which
 425 are to be redeemed on that date. The City retains the right to rescind any
 426 redemption notice and the related optional redemption of Bonds by giving notice
 427 of rescission to the affected registered owners at any time on or prior to the
 428 scheduled redemption date. Any notice of optional redemption that is so rescinded
 429 shall be of no effect, and the Bonds for which the notice of optional redemption has
 430 been rescinded shall remain outstanding.

431

432 (2) Effect of Notice; Bonds Due. If notice of redemption has
 433 been given and not rescinded or revoked, or if the conditions set forth in a
 434 conditional notice of redemption have been satisfied or waived, the Bonds or
 435 portions of Bonds to be redeemed shall, on the redemption date, become due and
 436 payable at the redemption price therein specified, and, if the Bond Registrar then
 437 holds sufficient funds to pay such Bonds at the redemption price, then from and
 438 after such date such Bonds or portions of Bonds shall cease to bear interest. Upon
 439 surrender of such Bonds for redemption in accordance with said notice, such

440 Bonds shall be paid by the Bond Registrar at the redemption price. Installments of
441 interest due on or prior to the redemption date shall be payable as herein provided
442 for payment of interest. All Bonds which have been redeemed shall be canceled
443 by the Bond Registrar and shall not be reissued.

444
445 (3) Additional Notice. If addition to the foregoing notice, further
446 notice shall be given by the City as set out below, but no defect in said further
447 notice nor any failure to give all or any portion of such further notice shall in any
448 manner defeat the effectiveness of a call for redemption if notice thereof is given
449 as above prescribed. Each further notice of redemption given hereunder shall
450 contain the information required above for an official notice of redemption plus
451 (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the
452 Bonds as originally issued; (C) the rate of interest borne by each Bond being
453 redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other
454 descriptive information needed to identify accurately the Bonds being redeemed.
455 Each further notice of redemption may be sent at least 20 days before the
456 redemption date to each party entitled to receive notice pursuant to the Continuing
457 Disclosure Certificate and with such additional information as the City shall deem
458 appropriate, but such mailings shall not be a condition precedent to the redemption
459 of such Bonds.

460
461 (4) Amendment of Notice Provisions. The foregoing notice
462 provisions of this Section 4, including but not limited to the information to be
463 included in redemption notices and the persons designated to receive notices, may
464 be amended by additions, deletions and changes in order to maintain compliance
465 with duly promulgated regulations and recommendations regarding notices of
466 redemption of municipal securities.

467
468 Section 5. Form of Bonds. The Bonds shall be in substantially the form
469 set forth in **Exhibit A**, which is incorporated herein by this reference.

470
471 Section 6. Execution of Bonds. The Bonds shall be executed on behalf
472 of the City with the manual or facsimile signatures of the Mayor and City Clerk of
473 the City and the seal of the City shall be impressed, imprinted or otherwise
474 reproduced thereon.

475
476 In case either of the officers who shall have executed the Bonds shall cease
477 to be an officer or officers of the City before the Bonds so signed shall have been
478 authenticated or delivered by the Bond Registrar, or issued by the City, such Bonds
479 may nevertheless be authenticated, delivered and issued and upon such
480 authentication, delivery and issuance, shall be as binding upon the City as though
481 those who signed the same had continued to be such officers of the City. Any Bond
482 may be signed and attested on behalf of the City by such persons who at the date
483 of the actual execution of such Bond, are the proper officers of the City, although
484 at the original date of such Bond any such person shall not have been such officer
485 of the City.

486
487 Only such Bonds as shall bear thereon a Certificate of Authentication in the
488 form set forth in **Exhibit A**, manually executed by the Bond Registrar, shall be valid
489 or obligatory for any purpose or entitled to the benefits of this ordinance. Such
490 Certificate of Authentication shall be conclusive evidence that the Bonds so

491 authenticated have been duly executed, authenticated and delivered hereunder
492 and are entitled to the benefits of this ordinance.

493
494 Section 7. Application of Bond Proceeds; Project Fund. The Director
495 of Finance and Administration is hereby authorized to create a fund or account (the
496 "Project Fund"), and subaccounts therein as necessary, for the purposes set forth
497 in this section. A portion of the proceeds of the Bonds, net of any Underwriter's
498 discount and fees, shall be deposited in the Project Fund in the amounts specified
499 in the closing memorandum prepared in connection with the issuance of the
500 Bonds. Such proceeds shall be used to pay and/or reimburse the City for the costs
501 of the Projects and, unless otherwise provided by the City, to pay costs of issuance
502 of the Bonds.

503
504 The Director of Finance and Administration shall invest money in the
505 Project Fund and the subaccounts contained therein in such obligations as may
506 now or hereafter be permitted by law to cities of the State and which will mature
507 prior to the date on which such money shall be needed, but only to the extent that
508 the same are acquired and disposed of at Fair Market Value. Any remaining Bond
509 proceeds (including interest earnings thereon) may be used for other capital
510 projects of the City or shall be transferred to the Debt Service Fund for the
511 applicable series of Bonds.

512
513 Section 8. Tax Covenants. The City will take all actions necessary to
514 assure the exclusion of interest on the Bonds from the gross income of the owners
515 of the Bonds to the same extent as such interest is permitted to be excluded from
516 gross income under the Code as in effect on the date of issuance of the Bonds,
517 including but not limited to the following:

518
519 (a) *Private Activity Bond Limitation.* The City will assure that the
520 proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private
521 business tests of Section 141(b) of the Code or the private loan financing test of
522 Section 141(c) of the Code.

523
524 (b) *Limitations on Disposition of the Projects.* The City will not sell or
525 otherwise transfer or dispose of (1) any personal property components of the
526 Projects financed with proceeds of the Bonds other than in the ordinary course of
527 an established government program under Treasury Regulation § 1.141-2(d)(4) or
528 (2) any real property components of such Project, unless it has received an opinion
529 of nationally recognized Bond Counsel to the effect that such disposition will not
530 adversely affect the treatment of interest on the Bonds as excludable from gross
531 income for federal income tax purposes.

532
533 (c) *Federal Guarantee Prohibition.* The City will not take any action or
534 permit or suffer any action to be taken if the result of such action would be to cause
535 any of the Bonds to be "federally guaranteed" within the meaning of Section 149(b)
536 of the Code.

537
538 (d) *Rebate Requirement.* The City will take any and all actions
539 necessary to assure compliance with Section 148(f) of the Code, relating to the
540 rebate of excess investment earnings, if any, to the federal government, to the
541 extent that such section is applicable to the Bonds.

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

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

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

(h) *Compliance with Federal Tax Certificate.* The City will comply with the provisions of the Federal Tax Certificate with respect to the Bonds, which are incorporated herein as if fully set forth herein.

The covenants of this section will survive payment in full or defeasance of the Bonds. In the event of any conflict between this Section and the Federal Tax Certificate, the provisions of the Federal Tax Certificate will prevail.

Section 9. Debt Service Fund and Provision for Non-Voted Regular Tax Levy Payments. The City hereby authorizes the creation of one or more funds, and accounts held therein, to be used for the payment of debt service on each series of Bonds, designated as the "Limited Tax General Obligation Bond Debt Service Fund" or other such designation selected by the City (the "Debt Service Fund"). No later than the date each payment of principal of or interest on the Bonds becomes due, the City shall transmit sufficient funds, from the Debt Service Fund or from other legally available sources, to the Bond Registrar for the payment of such principal or interest. Money in the Debt Service Fund may be invested in legal investments for City funds, but only to the extent that the same are acquired, valued and disposed of at Fair Market Value. Any interest or profit from the investment of such money shall be deposited in the Debt Service Fund.

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

The City hereby irrevocably pledges that the annual tax provided for herein to be levied for the payment of such principal and interest shall be within and as a part of the tax levy permitted to cities without a vote of the people, and that a sufficient portion of each annual levy to be levied and collected by the City prior to the full payment of the principal of and interest on the Bonds will be and is hereby

593 irrevocably set aside, pledged and appropriated for the payment of the principal of
594 and interest on the Bonds. The full faith, credit, and resources of the City are
595 hereby irrevocably pledged for the annual levy and collection of said taxes and for
596 the prompt payment of the principal of and interest on the Bonds when due.
597

598 The City hereby further irrevocably pledges all VLF Revenues to the
599 payment of principal and interest on the series of Bonds or the portion of the series
600 of Bonds issued to finance the Transportation Projects and related costs of
601 issuance. The City covenants to impose and collect Vehicle License Fees under
602 chapter 36.73 RCW on qualifying vehicles as set forth in RCW 82.80.140 and
603 chapter 36.73 RCW so long as the Bonds issued to finance the Transportation
604 Projects are outstanding.
605

606 Section 10. Sale of Bonds.
607

608 (a) *Bond Sale.* The Council has determined that it would be in the best
609 interest of the City to delegate to each Designated Representative for a limited
610 time the authority to authorize the Bonds to be issued in one or more series, and
611 to approve the final interest rates, maturity dates, redemption terms and principal
612 maturities for each series of Bonds.
613

614 (b) The Bonds shall be sold at by competitive public sale. A Designated
615 Representative shall: (1) establish the date of the public sale; (2) establish the
616 criteria by which the successful bidder will be determined; (3) request that a good
617 faith deposit in an amount not less than one percent of the principal amount of the
618 offering accompany each bid; (4) cause notice of the public sale to be given; and
619 (5) provide for such other matters pertaining to the public sale as he or she deems
620 necessary or desirable. Such Bonds shall be sold to the Underwriter pursuant to
621 the terms of a Certificate of Award.
622

623 (d) *Sale Parameters.* Subject to the terms and conditions set forth in
624 this Section 10, each Designated Representative is hereby authorized to approve
625 the method of sale and the final interest rates, aggregate principal amount,
626 principal maturities, and redemption terms for each series of Bonds in the manner
627 provided hereafter so long as:
628

629 (1) the aggregate principal (face) amount of all Bonds issued
630 under this ordinance does not exceed \$43,900,000,
631

632 (2) the final maturity date for the Bonds is no later than
633 December 1, 2044,
634

635 (3) the true interest cost for the Bonds of a series (in the
636 aggregate) does not exceed 5.00%,
637

638 (4) the aggregate purchase price for the Bonds of a series shall
639 not be less than 98% of the aggregate stated principal amount of such Bonds, and
640

641 (5) the Bonds of each series otherwise conform to the terms of
642 this ordinance.
643

644 Subject to the terms and conditions set forth in this section, each
645 Designated Representative is hereby authorized to execute the Certificate of
646 Award on behalf of the City. The signature of one Designated Representative shall
647 be sufficient to bind the City.
648

649 Following the execution of a Certificate of Award, a Designated
650 Representative shall provide a report to the Council describing the final terms of
651 the Bonds approved pursuant to the authority delegated in this section. The
652 authority granted to each Designated Representative by this Section 10 to execute
653 one or more Certificates of Award shall expire one year (365 days) after the
654 effective date of this ordinance. If a Certificate of Award for the Bonds has not been
655 executed by such date, the authorization for the issuance of such Bonds shall be
656 rescinded, and such Bonds shall not be issued nor their sale approved unless such
657 Bonds shall have been re-authorized by ordinance of the Council. The ordinance
658 re-authorizing the issuance and sale of such Bonds may be in the form of a new
659 ordinance repealing this ordinance in whole or in part or may be in the form of an
660 amendatory ordinance approving a Certificate of Award or establishing terms and
661 conditions for the authority delegated under this Section 10.
662

663 (e) *Delivery of Bonds; Documentation.* The proper officials of the City,
664 including the Designated Representatives, the Mayor and the City Clerk, are
665 authorized and directed to undertake all action necessary for the prompt execution
666 and delivery of the Bonds to the Underwriter and further to execute all closing
667 certificates and documents required to effect the closing and delivery of the Bonds
668 in accordance with the terms of the Certificate of Award.
669

670 Section 11. Preliminary and Final Official Statements. Each Designated
671 Representative are hereby authorized to deem final the preliminary Official
672 Statement(s) relating to the Bonds for the purposes of the Rule. Each Designated
673 Representative are further authorized to approve for purposes of the Rule, on
674 behalf of the City, the final Official Statement(s) relating to the issuance and sale
675 of the Bonds and the distribution of the final Official Statement pursuant thereto
676 with such changes, if any, as may be deemed to be appropriate.
677

678 Section 12. Undertaking to Provide Ongoing Disclosure. The City
679 covenants to execute and deliver at the time of Closing of a series of Bonds a
680 Continuing Disclosure Certificate. Each Designated Representative is hereby
681 authorized to execute and deliver a Continuing Disclosure Certificate upon the
682 issuance, delivery and sale of a series of Bonds with such terms and provisions as
683 such officer shall deem appropriate and in the best interests of the City.
684

685 Section 13. Defeasance. In the event that money and/or noncallable
686 Government Obligations, maturing at such time or times and bearing interest to be
687 earned thereon in amounts (together with such money, if necessary) sufficient to
688 redeem and retire part or all of the Bonds in accordance with their terms, are set
689 aside in a special account of the City to effect such redemption and retirement,
690 and such money and the principal of and interest on such Government Obligations
691 are irrevocably set aside and pledged for such purpose, then no further payments
692 need be made into the Debt Service Fund for the payment of the principal of and
693 interest on the Bonds so provided for, and such Bonds shall cease to be entitled
694 to any lien, benefit or security of this ordinance except the right to receive the

695 money so set aside and pledged, and such Bonds shall be deemed not to be
696 outstanding hereunder. The City shall give or cause to be given written notice of
697 defeasance in accordance with the Continuing Disclosure Certificate.

698
699 Section 14. Lost, Stolen or Destroyed Bonds. In case any Bond or
700 Bonds shall be lost, stolen or destroyed, the Bond Registrar may authenticate and
701 deliver a new Bond or Bonds of like date, number and tenor to the Registered
702 Owner thereof upon the Registered Owner's paying the expenses and charges of
703 the City and the Bond Registrar in connection therewith and upon their filing with
704 the City evidence satisfactory to the City that such Bond was actually lost, stolen
705 or destroyed and of their ownership thereof, and upon furnishing the City and/or
706 the Bond Registrar with indemnity satisfactory to the City and the Bond Registrar.

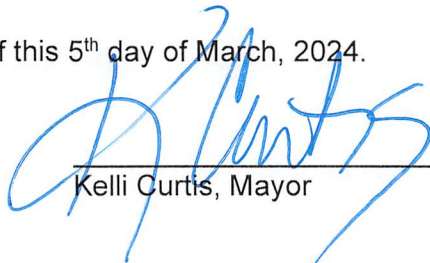
707
708 Section 15. Severability; Ratification. If any one or more of the
709 covenants or agreements provided in this ordinance to be performed on the part
710 of the City shall be declared by any court of competent jurisdiction to be contrary
711 to law, then such covenant or covenants, agreement or agreements, shall be null
712 and void and shall be deemed separable from the remaining covenants and
713 agreements of this ordinance and shall in no way affect the validity of the other
714 provisions of this ordinance or of the Bonds. All acts taken pursuant to the authority
715 granted in this ordinance but prior to its effective date are hereby ratified and
716 confirmed.


717
718 Section 16. Corrections by Clerk. Upon approval of the City Attorney
719 and Bond Counsel and without further action of the Council, the City Clerk is
720 hereby authorized to make necessary corrections to this ordinance, including but
721 not limited to the correction of clerical errors; references to other local, state or
722 federal laws, codes, rules, or regulations; ordinance numbering and
723 section/subsection numbering; and other similar necessary corrections.

724
725 Section 17. Effective Date of Ordinance. This ordinance shall be in full
726 force and effect five days from and after its passage by the Kirkland City Council
727 and publication of a summary of this ordinance in accordance with Kirkland
728 Municipal Code 1.08.017.

729
730 Passed by majority vote of the Kirkland City Council in open meeting this
731 5th day of March, 2024.

732
733 Signed in authentication thereof this 5th day of March, 2024.

734
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Kelli Curtis, Mayor

739 Attest:
740
741 
742 Kathi Anderson, City Clerk

743
744 Approved as to Form:
745

746
747


Pacifica Law Group LLP, Bend Counsel

PUBLICATION SUMMARY
OF ORDINANCE NO. O-4871

AN ORDINANCE OF THE CITY OF KIRKLAND, WASHINGTON, AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF LIMITED TAX GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$43,900,000 FOR THE PURPOSE OF FINANCING THE COSTS RELATED TO ACQUIRING, CONSTRUCTING, IMPROVING, EQUIPPING AND/OR RENOVATING CITY TRANSPORTATION PROJECTS AND CITY FIRE AND PUBLIC SAFETY FACILITIES 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 Section 1. Defines certain capitalized terms used in the Ordinance.
- 2 Section 2. Sets forth findings of the Council, and authorizes the
3 issuance and sale of one or more series of the City's limited tax general obligation
4 bonds in an aggregate principal amount not to exceed \$43,900,000 (the "Bonds")
5 for the purpose of acquiring, designing, constructing, developing, improving,
6 equipping and furnishing City transportation projects and City fire and public safety
7 facilities (the "Project"), and to pay costs of issuance of the Bonds.
- 8 Section 3. Adopts a system of registration and exchange for the Bonds
9 and describes the arrangements for paying principal of and interest on the Bonds.
- 10 Section 4. Provides for the redemption of the Bonds prior to their
11 scheduled maturities to the extent, if any, set forth in the certificate of award (the
12 "Certificate of Award") pursuant to which the Bonds will be sold to an underwriter.
- 13 Section 5. Describes the form of the Bonds.
- 14 Section 6. Specifies the manner of the execution and authentication of
15 the Bonds.
- 16 Section 7. Authorizes the application of Bond proceeds for the Project
17 and the creation of the Project Fund.
- 18 Section 8. Covenants that the City will take all actions necessary to
19 exclude interest on the Bonds from the gross income of the owners for federal
20 income tax purposes.
- 21 Section 9. Provides for the payment of debt service on the Bonds from
22 regular property tax levies permitted to the City without a vote of the people or from
23 other legally available sources, and pledges the full faith, credit and resources of
24 the City for the levy and collection of such taxes and the prompt payment of debt
25 service on the Bonds. Further pledges vehicle license fees collected under chapter
26 36.73 RCW for payment of debt service on the portion of the Bonds issued to
27 finance qualifying transportation projects as provided in such chapter.
- 28 Section 10. Delegates authority, for a limited time, to execute a
29 Certificate of Award specifying the financial terms of the Bonds within parameters

30 adopted by the City Council; and authorizes all actions necessary to execute and
31 deliver each series of Bonds in accordance with the terms of the Certificate of
32 Award.

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

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

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

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

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

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

45 Section 17. States the effective date of the Ordinance.

46 The full text of this Ordinance will be mailed without charge to any person
47 upon request made to the City Clerk for the City of Kirkland. The Ordinance was
48 passed by the Kirkland City Council at its meeting on the 5th day of March, 2024.

49 I certify that the foregoing is a summary of Ordinance No. O-4871 approved
50 by the Kirkland City Council for summary publication.


Kathi Anderson, City Clerk

Exhibit A

Form of Bond

[DTC LANGUAGE]

UNITED STATES OF AMERICA

NO. ____

\$_____

STATE OF WASHINGTON

CITY OF KIRKLAND

LIMITED TAX GENERAL OBLIGATION 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 June and December. 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 to the Registered Owner at the address appearing on the Bond Register as of the close of business on the 15th day of the month preceding the payment date ("Record Date").

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 _____, 2024 (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) acquire, design, construct, develop, improve, equip and furnish City transportation projects and City fire and public safety facilities, and (b) to pay costs of issuance of the Bonds.

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.

[All VLF Revenues are also hereby irrevocably pledged to the payment of [this bond][the portion of this bond] issued to finance the Transportation Projects and related costs of issuance. The City hereby irrevocably covenants to impose and collect Vehicle License Fees under chapter 36.73 RCW on qualifying vehicles as set forth in RCW 82.80.140 and chapter 36.73 RCW so long as [this bond][the portion of this bond] issued to finance the Transportation Projects is outstanding.]

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 Bonds, 20____, of the City of Kirkland, Washington, dated _____, 20____.

WASHINGTON STATE FISCAL AGENT, as
Bond Registrar