

ORDINANCE NO. 922

**AN ORDINANCE OF THE CITY OF GIG HARBOR,
WASHINGTON AMENDING ORDINANCE NO. 850, AS
AMENDED, TO REFLECT THE EXTENSION OF THE
MATURITY AND THE CHANGE IN INTEREST RATE OF
THE CITY'S LIMITED GENERAL OBLIGATION BOND
ANTICIPATION NOTE, 2000.**

WHEREAS, the City Council of the City of Gig Harbor, Washington (the "City") adopted Ordinance No. 850 on September 11, 2000 providing for the issuance of the City's Limited General Obligation Bond Anticipation Note, 2000 in the aggregate principal amount of not to exceed \$1,200,000 (the "Note") to finance the commencement of certain improvements in Local Improvement District No. 99-1 of the City; and

WHEREAS, the City issued the Note to KeyBank National Association (the "Bank") having a maturity date of December 19, 2001; and

WHEREAS, the Note was extended to December 19, 2002, pursuant to an offer from the Bank dated November 23, 2001 and Resolution No. 896, adopted by the City on December 10, 2001, amending Resolution No. 850; and

WHEREAS, the City has received an offer from the Bank further extending the maturity date and changing the interest rate of the Note; and

WHEREAS, it is in the best interest of the City to accept the Bank's offer of extension and change in interest rate;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, DO ORDAIN as follows:

Section 1. Amendment of Ordinance No. 850, as amended. Section 2 of Ordinance No. 850, as amended by Ordinance No. 896, is hereby further amended to read as follows (additions are underscored, and deletions are stricken through):

Section 2. Authorization of the Note. For the purpose of providing interim financing of the Improvements pending their completion and the issuance of the Bonds, the Council hereby authorizes the issuance and sale of a limited general obligation bond anticipation note in the aggregate principal amount of \$1,200,000 to the Bank under the terms and conditions set forth in the Bank's commitment letter dated July 5, 2000 as supplemented on November 23, 2001 [and on November 12, 2002] (the "Note"). The Note shall be designated as the "City of Gig Harbor, Washington Limited General Obligation Bond Anticipation Note, 2000," shall be dated as of the Closing Date, shall be issued in fully registered form in the denomination of \$1,200,000, shall bear interest at a per annum rate of 4.93% from the Closing Date through December 18, 2001, [and] at a per annum rate of 2.20% from December 19, 2001[through December 18, 2002, and at a per annum rate of 1.88%] through maturity of the Note, payable at maturity and shall mature [27][39] months from the Closing Date, unless the maturity date is extended by the Bank. Interest on the Note shall be calculated on the basis of a year of 365 days and the actual number of days elapsed.

Section 2. Bank Proposal. The City hereby approves and accepts the Bank Proposal of November 12, 2002 and authorizes the fee specified therein.

Section 3. Confirmation of Ordinance 850, as amended. Ordinance No. 850, as amended by Ordinance 896 and as further amended by this amendatory ordinance is hereby ratified and confirmed.

Section 4. Authorization of City Officials. The City Administrator and Finance Director are authorized to deliver a new Note to the Bank reflecting the terms of this amendatory ordinance.

Section 5. Effective Date. This ordinance shall be in effect five days after its publication as provided by law.

PASSED by the City Council of the City of Gig Harbor, Washington, at a regular meeting held this 25th day of November, 2002.

CITY OF GIG HARBOR, WASHINGTON

Mayor

ATTEST:

City Clerk

First Reading: 11/25/02
Dated Passed: 12/9/02
Date of Publication: 12/18/02
Effective Date: 12/23/02

**SUMMARY OF ORDINANCE NO. 922
of the City of Gig Harbor, Washington**

On December 9, 2002 the City Council of the City of Gig Harbor, Washington, approved Ordinance No. 922, the summary of text of which is as follows:

**AN ORDINANCE OF THE CITY OF GIG HARBOR,
WASHINGTON AMENDING ORDINANCE NO. 850, AS
AMENDED, TO REFLECT THE EXTENSION OF THE
MATURITY AND THE CHANGE IN INTEREST RATE OF
THE CITY'S LIMITED GENERAL OBLIGATION BOND
ANTICIPATION NOTE, 2000.**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GIG HARBOR:

The full text of this ordinance will be mailed upon request.

APPROVED by the City Council at their regular meeting of December 9, 2002.

BY: _____
MOLLY M. TOWSLEE, CITY CLERK