

ORDINANCE NO. 373

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND
SALE OF LOCAL IMPROVEMENT DISTRICT NO. 3
WARRANTS AND FOR THE DISPOSITION OF THE
PROCEEDS OF THEIR SALE, AND APPROVING THE
PROPOSAL OF Puget Sound National TO PURCHASE
SUCH WARRANTS. Bank

WHEREAS, the City Council of the City of Gig Harbor,
Washington (the "City") by Ordinance No. 351 created Local
Improvement District No. 3 (the "District"), created a
special fund of the District (the "LID Fund") and authorized
the issuance of local improvement district bonds to pay the
cost of improvements in the District and expenses incidental
thereto; and

WHEREAS, RCW 35.45.130 provides that warrants to provide
interim financing for such costs and expenses payable out of
the LID Fund may be authorized by ordinance of the City
Council; and

WHEREAS, in order to provide interim financing for a
portion of such cost and expenses, it is deemed necessary and
desirable to issue warrants in an aggregate principal amount
not in excess of the costs and expenses of the District
incurred prior to confirmation of the assessment roll of the
District and to approve the sale of said warrants to Puget
Sound National on the terms set forth in the proposal of said
Bank
Bank and in this ordinance; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GIG
HARBOR, WASHINGTON, as follows:

Section 1. As used in this ordinance the following
words shall have the following meanings:

(a) "City" means the City of Gig Harbor, Washington.

(b) "Council" means the City Council of the City.

(c) "District" means Local Improvement District No. 3 of the City.

(d) "Improvements" means the improvements to be made within the District as described in Section 1 of Ordinance No. 351 of the City.

(e) "LID Fund" means the Local Improvement Fund District No. 3 created by Ordinance No. 351 of the City.

(f) "Warrants" means the warrants issued pursuant to and for the purposes provided in this ordinance.

Section 2. Pending the issuance of local improvement district bonds, the City shall, for the purpose of meeting any and all costs and expenses of making the improvements incurred prior to confirmation of the assessment roll of the District and for which funds are not otherwise available, as the same are installed prior to the sale of the bonds, issue interim warrants against the LID Fund bearing interest at the rate of 12 ½ % per annum, or such other rate as may hereafter be fixed by ordinance. Interim warrants, together with the interest due thereon to the date of delivery of the bonds, shall be redeemed and retired from the proceeds of the sale of local improvement district bonds or prepayments of assessments. Interim warrants issued pursuant to this ordinance shall

(a) be in an aggregate principal amount not in excess of the cost and expense of the improvements incurred prior to the confirmation of the assessment roll of the District;

(b) be subject to redemption prior to maturity at the option of the City, at par plus accrued interest to the date of redemption;

(c) be issued only if there is on file in the office of the City Director of Administration (i) copies of invoices for costs and expenses of the Improvements aggregating an amount at least equal to the amount of the warrant to be issued plus the amount of previously issued interim warrants and (ii) a certificate or certificates of the City Engineer that such invoices are for costs and expenses incurred prior to confirmation of the assessment roll and properly allocable to Local Improvement District No. 3 and for work performed or materials received as of the date of such certificate;

(d) be executed by the Mayor, attested by the City Director of Finance and Administration and have impressed thereon the corporate seal of the City.

Both principal of and interest on the Warrants shall be payable in lawful money of the United States of America at the office of the Director of Finance and Administration of the City in Gig Harbor, Washington and shall be obligations only of the LID Fund.

Section 3. Both the principal of and interest on the Warrants are payable solely from the proceeds of Local Improvement District No. 3 Bonds to be issued by the City, or from assessments and interest thereon levied in Local Improvement District No. 3 to pay the total cost and expenses of the Improvements therein. The City hereby covenants with the payee of the Warrants that it will issue bonds of Local Improvement District No. 3 in an amount sufficient, with any prepayments of assessments, to pay the principal of and interest on the Warrants, and will thereupon redeem the Warrants. The Warrants are not a general obligation of the City and are not payable otherwise than as stated herein.

Notice of such intended redemption shall be given in writing to the original purchaser of the Warrant or Warrants to be redeemed at least four business days in advance of the scheduled time of such intended redemption. Interest on any Warrant so redeemed shall cease on such redemption date unless the Warrant is not redeemed upon presentation made pursuant to such call.

Section 4. The proceeds of the local improvement district bonds to be issued for the Improvements shall be paid into the LID Fund and shall be applied to the extent necessary (together with other available funds) to pay and redeem the Warrants.

Section 5. The Warrants shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____ \$ _____

STATE OF WASHINGTON

CITY OF GIG HARBOR, WASHINGTON

INTERIM WARRANT

LOCAL IMPROVEMENT DISTRICT NO. _____

The City of Gig Harbor, Washington (the "City"), a municipal corporation of the State of Washington, acknowledges itself to owe and for value received promises to pay to bearer the principal amount of

DOLLARS

together with interest thereon at the rate of _____ % per annum from the date hereof until paid, payable on the date of redemption.

This warrant is subject to redemption prior to maturity at the option of the City at par plus accrued interest to the date of redemption.

Both principal and interest are payable solely from the proceeds of Local Improvement District No. 3 Bonds to be issued by the City, or from assessments and interest thereon levied in Local

Improvement District No. 3 to pay the total cost and expenses of the improvements therein. The City hereby covenants with the payee of this warrant that it will issue bonds of Local Improvement District No. 3 in an amount sufficient, with any prepayments of assessments, to pay the principal of and interest on this warrant and all other interim warrants of Local Improvement District No. 3 and will thereupon redeem this warrant. This warrant is not a general obligation of the City and is not payable otherwise than as stated herein.

It is hereby certified and declared that this warrant is issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and duly adopted ordinances of the City, and that all acts, conditions and things required to have happened, been done and performed precedent to and in the issuance hereof have happened, been done, and performed.

IN WITNESS WHEREOF, the City of Gig Harbor, Washington, has caused this warrant to be executed in its name by its Mayor, to be attested by its City Director of Administration and Finance and the corporate seal of the City to be impressed hereon as of this 13th day of July, 1981.

(SEAL)

CITY OF GIG HARBOR, WASHINGTON

By Ruth M. Logue
Mayor

ATTEST:


Ruth M. Logue
Director of Administration & Finance

Section 6. The appropriate City officials are hereby authorized and directed to do everything necessary for the issuance and sale of the Warrants and the application of the proceeds of the sale thereof.

Section 7. The sale of the Warrants, from time to time, to _____ at a price of par, pursuant to their proposal to purchase said Warrants on the terms set forth herein, is hereby approved and confirmed.

Section 8. This ordinance shall become effective five days from and after its publication in the manner required by law.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, this 13th day of July, 1981.

CITY OF GIG HARBOR, WASHINGTON

By Beth M. Bogue
Mayor

ATTEST:



Director of Administration and Finance