



ORDINANCE 1414

AN ORDINANCE OF THE CITY OF NORTH BEND, WASHINGTON, PROVIDING FOR THE SUBMISSION TO THE VOTERS OF THE CITY AT A SPECIAL ELECTION TO BE HELD THEREIN ON FEBRUARY 8, 2011, OF A PROPOSITION AUTHORIZING THE CITY TO ISSUE ITS GENERAL OBLIGATION BONDS, FOR THE PURPOSE OF PAYING A PORTION OF THE COST TO CONSTRUCT AND EQUIP A FIRE STATION, IN THE PRINCIPAL AMOUNT OF NO MORE THAN \$2,250,000 PAYABLE BY ANNUAL PROPERTY TAX LEVIES TO BE MADE IN EXCESS OF REGULAR PROPERTY TAX LEVIES, AND TO LEVY THOSE EXCESS PROPERTY TAXES

WHEREAS, the residents of the City of North Bend, Washington (the "City") receive fire and emergency medical services through Eastside Fire & Rescue, a joint department that operates under Interlocal agreement between the City, Fire Protection District No. 38 of King County, Washington (the "District"), and certain other cities and fire protection districts located in the Snoqualmie Valley; and

WHEREAS, the City Council of the City (the "City Council") has determined that in order to enhance the fire and medical aid response for City residents, it is in the best interest of the City to undertake, in cooperation with the District, the construction of a fire station located in the City (the "Fire Station Construction Project" or the "Project"); and

WHEREAS, in order to minimize the costs of the Project, the City entered into an Interlocal agreement pursuant to chapter 39.34 RCW with the District to share the costs and ownership of the Project (the "Agreement"); and

WHEREAS, the Agreement provides that (i) the total costs of the Fire Station Construction Project shall not exceed \$5,000,000; and (ii) the District shall pay 57% of the costs and the City shall pay 43% of the costs; and

WHEREAS, the City does not currently have sufficient funds available to pay the costs of the Project allocated to the City; and

WHEREAS, because the City does not currently have sufficient funds available, the City Council wishes to seek voter approval for the issuance and sale of not to exceed \$2,250,000 of general obligation bonds of the City to pay the costs of the Project allocated to the City and the costs of issuance of such bonds, to be repaid by an annual excess property tax levy (the "Bonds"); and

WHEREAS, the constitution and laws of the State of Washington provide that the question of whether or not the City may issue such bonds be submitted to the qualified electors of the City for their ratification or rejection at a special election;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1 **Fire Station Construction Project.** The City Council finds that, in order to enhance fire and medical aid response to its residents, it is in the best interest of the City to undertake, in cooperation with the District, the construction of a fire station located in the City to be owned and operated as provided in the Agreement. The Fire Station Construction Project shall include all necessary equipment and appurtenances, but shall not include the replacement of equipment. The cost of all necessary architectural, engineering, legal and other consulting services, inspection and testing, administrative expenses, site improvement, demolition, on and off-site utilities, related improvements and other costs incurred in connection with the Project shall be deemed a part of the costs of such capital improvements.

The estimated cost of the Fire Station Construction Project allocated to the City under the Agreement, including the costs of issuing and selling the Bonds authorized by this ordinance, is declared to be approximately \$2,250,000. The economic life of the Project is expected to be at least 30 years.

The City Council may modify the details of the foregoing project where necessary or advisable in the judgment of the City Council subject to the terms of the Agreement.

Section 2 **Description of Proposed Bonds.** The Bonds may be issued as a single issue, as a part of a combined issue with other authorized bonds, or in more than one series, as deemed advisable by the City Council and as permitted by law. The Bonds shall be fully registered bonds, bearing interest payable as permitted by law, and maturing within 20 years from the date of issue, or within any shorter period fixed by the City Council. The Bonds shall be paid by annual property tax levies sufficient in amount to pay both principal and interest when due, which annual property tax levies shall be made in excess of regular property tax levies without limitation as to rate or amount but only in amounts sufficient to meet such payments of principal and interest as they come due. The Bonds shall be issued and sold in such manner, at such times and in such amounts as shall be required for the purpose for which such bonds are to be issued. The specific date, form, terms, option of prior redemption, price, interest rate or rates and maturities of the Bonds shall be hereafter fixed by ordinance of the City Council. Pending the issuance of the Bonds, the City may issue short-term obligations pursuant to chapter 39.50 RCW or such other obligations as are permitted by law to pay for the costs of the Project allocated to the City. Such obligations and their costs may be paid or refunded with proceeds of the Bonds when issued.

Section 3 **Proceeds of the Bonds.** If available money from the proceeds of the Bonds is more than sufficient to pay the costs of the Project allocated to the City, or if state or local circumstances require any alteration in the Project, the City may acquire, construct, equip and make other capital improvements to the City's facilities, or retire and/or defease a portion of the Bonds, all as the City Council may determine and as permitted by law. If the proceeds of the sale of the Bonds and other available money are insufficient to make all of the capital

improvements herein provided for, or if it has become impractical to accomplish the Project or portions of the Project, the City may use the proceeds of the Bonds and other available money for paying the costs of those portions of the Project deemed by the City Council to be most necessary and in the best interest of the City.

Section 4 Calling of Election. The City Council requests that the Director of Records and Elections of King County, Washington (the "Director of Elections") call and conduct a special election in the City, in the manner provided by law, to be held therein on February 8, 2011, for the purpose of submitting to the voters of the City, for their approval or rejection, the question of whether or not general obligation bonds of the City shall be issued in the principal amount of not more than \$2,250,000 (or such lesser maximum amount as may be legally issued under the laws governing the limitation of indebtedness), the proceeds of which shall be expended to pay the costs of the Fire Station Construction Project, and annual excess property taxes shall be levied to pay and retire the Bonds.

If such proposition is approved by the requisite number of voters, the City shall be authorized to issue the Bonds in the manner described in this ordinance, to spend the proceeds thereof to pay the costs of the Fire Station Construction Project allocated to the City and the costs of issuance and sale of such Bonds, and to levy excess property taxes to pay and retire such Bonds. The proceeds of the Bonds shall be used for capital purposes only, which shall not include the replacement of equipment. The issuance of the Bonds under this authorization is conditioned on the approval by the District's voters, prior to the issuance of the Bonds, of a similar proposition authorizing the District to issue bonds payable by an annual excess property tax levy for the purpose of paying the costs of the Fire Station Construction Project allocated to the District.

Section 5 Ballot Proposition. The City Clerk is authorized and directed to certify, no later than December 23, 2010, to the Director of Elections, as *ex officio* supervisor of elections in the City, a copy of this ordinance and the proposition to be submitted at that election in the form of ballot title prepared by the City Attorney pursuant to RCW 29A.36.071, as follows:

**PROPOSITION 1
CITY OF NORTH BEND**

FIRE STATION CONSTRUCTION BONDS

The City Council of the City of North Bend adopted Ordinance No. _____ concerning financing the City's share of a new fire station. If approved, this proposition would authorize issuance of general obligation bonds to pay a share of constructing and equipping a fire station in cooperation with King County Fire District No. 38 in an amount not more than \$2.25 million, maturing within 20 years or less, and authorize the annual levy of excess property taxes to pay and retire such bonds, all contingent on the passage of a similar proposition by the District's voters and as provided in Ordinance No. _____. Should this proposition be approved?

YES
NO

For purposes of receiving notice of any matters related to the ballot title, as provided in RCW 29A.36.080, the City Council hereby designates its bond counsel, Foster Pepper PLLC (Alice Ostdiek, 206-447-4663, ostda@foster.com), as the person to whom such notice shall be provided.

Section 6 **General Authorization.** The proper City officials are authorized to perform such duties as are necessary or required by law to the end that the question of whether or not the Bonds shall be issued and excess taxes necessary to pay and retire the Bonds be levied, all as provided in this ordinance, shall be submitted to the voters of the City at the February 8, 2011 election.

Section 7 **Intent to Reimburse.** The City Council declares that to the extent that the City makes capital expenditures for the Project, prior to the date the Bonds or other short-term obligations are issued to finance the Project, from funds that are not (and are not reasonably expected to be) reserved, allocated on a long-term basis or otherwise set aside by the City under its existing and reasonably foreseeable budgetary and financial circumstances to finance the Project, those capital expenditures are intended to be reimbursed out of proceeds of the Bonds or other short-term obligations issued in an amount not to exceed the principal amount of the Bonds provided by this ordinance.

Section 8 **Severability.** If any provision of this ordinance is declared by any court of competent jurisdiction to be invalid, then such provision shall be null and void and shall be severable from the remaining provisions of this ordinance, and shall in no way affect the validity of the other provisions of this ordinance or of any other ordinance or resolution or of the Bonds.

Section 9 **Publication and Effective Date.** This ordinance or a summary thereof consisting of the title shall be published in the official newspaper of the City, and shall take effect and be in full force five days after publication.

Section 10 **Ratification of Prior Acts.** Any action taken consistent with the authority of this ordinance, after its passage but prior to the effective date, is ratified, approved, and confirmed.

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ADOPTED BY THE CITY COUNCIL OF THE CITY OF NORTH BEND,
WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 7TH DAY OF
DECEMBER, 2010.

CITY OF NORTH BEND:



Kenneth G. Hearing, Mayor

APPROVED AS TO FORM:



FOSTER PEPPER, Bond Counsel

Published: December 15, 2010
Effective: December 20, 2010

ATTEST/AUTHENTICATED:



Cheryl Proffitt, City Clerk

CERTIFICATION

I, the undersigned, City Clerk of the City of North Bend, Washington (the "City"), hereby certify as follows:

1. The attached copy of Ordinance No. 14-14 (the "Ordinance") is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on December 7, 2010, as that ordinance appears on the minute book of the City; and the Ordinance will be in full force and effect five days after the publication of its summary in the City's official newspaper; and

2. A quorum of the members of the City Council was present throughout the meeting and a majority of those members present voted in the proper manner for the passage of the Ordinance.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of December 2010.

CITY OF NORTH BEND, WASHINGTON


Cheryl Proffitt, City Clerk