

ORDINANCE NO. 3199

AN ORDINANCE of the City of Longview, Washington, relating to Local Improvement District No. 351; fixing the terms of the Local Improvement District No. 351 Installment Note; providing for the purchase of such Note by the City from funds on deposit in the City's Employee Benefits Reserve Fund; and fixing the interest rate on Local Improvement District No. 351 assessment installments.

WHEREAS, pursuant to Ordinance No. 3115 passed on September 24, 2009, the City Council of the City of Longview, Washington (the "City"), created Local Improvement District No. 351 ("LID No. 351") to finance the cost of constructing a new roadway and utilities to complete Weber Avenue; and

WHEREAS, RCW 35.45.150 provides that in addition to issuing bonds in payment of the cost and expenses of any local improvement, a city may issue installment notes payable out of the relevant local improvement fund, and such notes are legal investments for any available surplus fund of the issuing city; and

WHEREAS, the City desires to provide a market-rate return on a portion of the funds it regularly invests while making those funds available on an interfund loan basis to finance the repayment of the installment note authorized herein; and

WHEREAS, pursuant to RCW 35.45.150, the City has determined to issue its Local Improvement District No. 351 Installment Note in the aggregate principal amount of \$258,000 (the "Note") and finds it is in the best interest of the City that such note be purchased by the City from funds on deposit in the City's Employee Benefits Reserve Fund and available for investment;

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

Section 1. Note Fund. There is established in the office of the Finance Director (the “Finance Director”) for Local Improvement District No. 351 a special local improvement district fund to be known and designated as Local Improvement Fund, District No. 351 (the “Note Fund”). All money presently on hand representing collections pertaining to installments of assessments and interest thereon in LID No. 351 shall be transferred to and deposited in the Note Fund after the payment of obligations of such funds provided in Section 3 hereof, and all collections pertaining to assessments on the assessment roll of LID No. 351 when hereafter received shall be deposited in the Note Fund to repay any principal outstanding of the Note.

Section 2. Authorization and Description of the Note. The Note shall be issued pursuant to RCW 35.45.150 in the total principal amount of \$258,000, being the total amount on the assessment roll of LID No. 351 remaining uncollected after the expiration of the 30-day interest-free prepayment period for assessments on its assessment roll. The Note shall be dated its date of delivery; shall mature on March 5, 2024; shall be in fully registered form; and shall be numbered R-1. The Note shall bear interest at the rate of 4.25% per annum computed on the basis of a 360-day year of twelve 30-day months, payable annually beginning March 5, 2013.

Section 3. Appointment of Note Registrar; Registration and Transfer of Note. The Finance Director of the City is appointed Note Registrar for the Note. The Note shall be issued to the City’s Employee Benefits Reserve Fund (the “Registered Owner”) only in registered form as to both principal and interest and shall be recorded on books or records maintained by the Note Registrar (the “Note Register”). The Note Register shall contain the name and mailing address of the Registered Owner. The Note may not be assigned or transferred by the Registered Owner. When the Note has been paid in full, both principal and interest, it shall be surrendered by the Registered Owner to the Note Registrar, who shall cancel the Note.

Section 4. Payment of the Note. Both principal of and interest on the Note shall be payable solely out of the Note Fund, and from the Local Improvement Guaranty Fund of the City, consistent with RCW 35.45.150 and chapter 35.54 RCW.

Section 5. Prepayment Provisions. The City reserves the right to prepay principal of the Note prior to its stated maturity on any date, at par plus accrued interest to the date fixed for prepayment, whenever there shall be sufficient money in the Note Fund to prepay the principal of the Note over and above the amount required for the payment of the interest then due on the Note. Interest on the principal of the Note so prepaid shall cease to accrue on the date of such prepayment.

Section 6. Purchase and Sale of the Note. The City shall purchase the Note from funds available for investment on deposit in the City's Employee Benefits Reserve Fund at a price of par. The proper City officials are authorized and directed to do everything necessary for the prompt delivery of the Note and for the proper application and use of the proceeds of the sale thereof.

Section 7. Fixing Interest Rate on Assessments. The interest rate on the installments and delinquent payments of LID No. 351 is fixed at the rate of 4.25% per annum. In addition, a penalty on each delinquent installment of assessments shall be imposed in the amount of 12% of the unpaid principal and interest, and that penalty shall be added to the delinquent installment amount and shall be subject to interest at the same rate of interest as the interest on the unpaid assessment amount.

Section 8. Effective Date of Ordinance. This ordinance shall be in full force and effect from and after five days from the date of its passage and publication as provided by law.

Passed by the City Council this 23rd day of February, 2012.

Approved by the Mayor this 23rd day of February, 2012.

CITY OF LONGVIEW, WASHINGTON

By _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Published: February 29, 2012

CERTIFICATE

I, the undersigned, the duly appointed, qualified and acting Clerk of the City of Longview, Washington, and keeper of the records of the City Council (herein called the “Council”), DO HEREBY CERTIFY:

1. That the attached Ordinance No. 3199 (herein called the “Ordinance”) is a true and correct copy of an ordinance of the Council, as finally passed at a regular meeting of the Council held on the 23rd day of February, 2012, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of said Ordinance; that all other requirements and proceedings incident to the proper passage of said Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Longview, Washington, as of this _____ day of February, 2012.

City Clerk

(SEAL)