Legislation Passed October 22, 2019

The Tacoma City Council, at its regular City Council meeting of October 22, 2019, adopted the following resolutions and/or ordinances. The summary of the contents of said resolutions and/or ordinances are shown below. To view the full text of the document, click on the bookmark at the left of the page.

Resolution No. 40453
A resolution authorizing the execution of a Multi-Family Housing Eight-Year Limited Property Tax Exemption Agreement with Primero Courtyards LLC, for the development of 20 multi-family market-rate rental housing units, located at 3715 McKinley Avenue, in the McKinley Mixed-Use Center. [Debbie Bingham, Project Manager; Jeff Robinson, Director, Community and Economic Development]

Resolution No. 40454
A resolution authorizing the execution of a Multi-Family Housing Eight-Year Limited Property Tax Exemption Agreement with Rush Development, Inc., for the development of 95 multi-family market-rate rental housing units, located at 2709 North Adams Street, in the Proctor Mixed-Use Center. [Debbie Bingham, Project Manager; Jeff Robinson, Director, Community and Economic Development]

Resolution No. 40455
A resolution authorizing the execution of a Letter of Agreement with the International Brotherhood of Electrical Workers, Local 483, Tacoma Power Unit, regarding employees assigned to work the Trouble Crew. [Dylan Carlson, Senior Labor Relations Manager; Bill Fosbre, City Attorney]

Ordinance No. 28620
An ordinance authorizing the extension of and an increase to the Electric System Subordinate Revenue Note, Series 2015A, in an amount not to exceed $150,000,000; authorizing an amendment to the Note Purchase Agreement to provide funds to finance or refinance costs of capital improvements to the Electric System; and delegating the authority to approve the final terms of the amendment. [Bill Berry, Rates, Planning, and Analysis Manager; Chris Robinson, Power Superintendent]

Ordinance No. 28621
An ordinance approving terms relating to debt service reserve accounts established for certain of the City’s senior lien electric system revenue bonds; and authorizing the extension of qualified insurance to satisfy the debt service reserve account requirement for such bonds. [Bill Berry, Rates, Planning, and Analysis Manager; Chris Robinson, Power Superintendent]
A RESOLUTION relating to the multi-family property tax exemption program; authorizing the execution of a Multi-Family Housing Eight-Year Limited Property Tax Exemption Agreement with Primero Courtyards LLC, for the development of 20 multi-family market-rate rental housing units to be located at 3715 McKinley Avenue in the McKinley Mixed-Use Center.

WHEREAS the City has, pursuant to chapter 84.14 of the Revised Code of Washington, designated several Residential Target Areas for the allowance of a limited property tax exemption for new multi-family residential housing, and

WHEREAS the City has, through Ordinance No. 25789, enacted a program whereby property owners in Residential Target Areas may qualify for a Final Certificate of Tax Exemption which certifies to the Pierce County Assessor-Treasurer that the owner is eligible to receive a limited property tax exemption, and

WHEREAS Primero Courtyards LLC, is proposing to develop 20 market-rate rental units to consist of 20 one-bedroom, one-bath units with an average size of 400 square feet and renting for approximately $1,050 per month, as well as one on-site residential parking stall, and

WHEREAS the Director of Community and Economic Development has reviewed the proposed property tax exemption and recommends that a conditional property tax exemption be awarded for the property located at 3715 McKinley Avenue in the McKinley Mixed-Use Center, as more particularly described in the attached Exhibit “A”; Now, Therefore,
BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

Section 1. That the City Council does hereby approve and authorize a conditional property tax exemption, for a period of eight years, to Primero Courtyards LLC, for the property located at 3715 McKinley Avenue in the McKinley Mixed-Use Center, as more particularly described in the attached Exhibit “A.”

Section 2. That the proper officers of the City are authorized to execute a Multi-Family Housing Eight-Year Limited Property Tax Exemption Agreement with Primero Courtyards LLC, said document to be substantially in the form of the proposed agreement on file in the office of the City Clerk.

Adopted ________________

__________________________________________
Mayor

Attest:

__________________________________________
City Clerk

Approved as to form: Legal description approved:

__________________________________________
Deputy City Attorney

Chief Surveyor
Public Works Department
EXHIBIT “A”

LEGAL DESCRIPTION

Tax Parcel: 5670002290

Legal Description:

A portion of the Southwest Quarter of the Northwest Quarter of Section 15, Township 20 North, Range 3 East, Willamette Meridian, Pierce County, Washington, more particularly described as follows:

Lots 7 and 8, Block 22, McKinley Park Addition, according to the Plat thereof recorded in Book 7 of Plats, Page 96, records of Pierce County Auditor.

Situate in the City of Tacoma, County of Pierce, State of Washington.
RESOLUTION NO. 40454

A RESOLUTION relating to the multi-family property tax exemption program; authorizing the execution of a Multi-Family Housing Eight-Year Limited Property Tax Exemption Agreement with Rush Development, Inc., for the development of 95 multi-family market-rate rental housing units to be located at 2709 North Adams Street in the Proctor Mixed-Use Center.

WHEREAS the City has, pursuant to chapter 84.14 of the Revised Code of Washington, designated several Residential Target Areas for the allowance of a limited property tax exemption for new multi-family residential housing, and

WHEREAS the City has, through Ordinance No. 25789, enacted a program whereby property owners in Residential Target Areas may qualify for a Final Certificate of Tax Exemption which certifies to the Pierce County Assessor-Treasurer that the owner is eligible to receive a limited property tax exemption, and

WHEREAS Rush Development, Inc., is proposing to develop 95 market-rate rental units to consist of 78 studio units, with an average size of 210-450 square feet and renting for approximately $1,225-$1,500 per month; 14 one-bedroom, one-bath units, with an average size of 451-749 square feet and renting for approximately $1,501-$1,860 per month; and three two-bedroom, one-bath units, with an average size of 750-800 square feet and renting for approximately $1,861-$2,165 per month, as well as 1,000 square feet of commercial space and 50 on-site residential parking stalls, and

WHEREAS the Director of Community and Economic Development has reviewed the proposed property tax exemption and recommends that a conditional property tax exemption be awarded for the property located at 2709 North Adams
Street in the Proctor Mixed-Use Center, as more particularly described in the
attached Exhibit “A”; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

Section 1. That the City Council does hereby approve and authorize
a conditional property tax exemption, for a period of eight years, to
Rush Development, Inc., for the property located at 2709 North Adams
Street in the Proctor Mixed-Use Center, as more particularly described in
the attached Exhibit “A.”

Section 2. That the proper officers of the City are authorized to execute a
Multi-Family Housing Eight-Year Limited Property Tax Exemption Agreement with
Rush Development, Inc., said document to be substantially in the form of the
proposed agreement on file in the office of the City Clerk.

Adopted ____________________________

______________________________
Mayor

Attest:

______________________________
City Clerk

Approved as to form: Legal description approved:

______________________________
Deputy City Attorney

______________________________
Chief Surveyor
Public Works Department
EXHIBIT “A”

LEGAL DESCRIPTION

Tax Parcel:  7475010781

Legal Description:

A portion of the Northeast Quarter of the Northeast Quarter of Section 36, Township 21 North, Range 2 East, Willamette Meridian, Pierce County, Washington, more particularly described as follows:

West 100 feet of Block 13 of Amended Map of Second School Land Addition to the City of Tacoma, according to the Plat thereof recorded in Book 7 of Plats, Page 79, records of Pierce County Auditor;

Together with Lots 9 thru 12, inclusive, and East 10 feet of Lot 13, all in Block 14, Lawrence Addition to W.T., according to the Plat thereof recorded in Book 3 of Plats, Page 40, records of Pierce County Auditor;

Also together with the Easterly 17 feet of Adams Street abutting said Block 13, vacated per City of Tacoma Ordinance No. 26670, recorded under Recording No. 200010030312, records of Pierce County Auditor;

Except that portion conveyed to Maurice R. Skinner and Mary F. Skinner, Husband and Wife, by Instrument recorded under Recording No. 1536811, records of Pierce County Auditor, Washington.

Situate in the City of Tacoma, County of Pierce, State of Washington.

Tax Parcel:  7040000670

Legal Description:

A portion of the Southeast Quarter of the Southeast Quarter of Section 25, Township 21 North, Range 2 East, Willamette Meridian, Pierce County, Washington, more particularly described as follows:

Lot 9 in Block 14 of Puget Park Addition to Tacoma, W.T., according to the plat thereof recorded in Volume 2 of Plats, at Page 67, in Pierce County, Washington;
Except that portion conveyed to Maurice R. Skinner and Mary F. Skinner, Husband and Wife, by Instrument recorded under Recording No. 1536811, records of Pierce County Auditor, Washington.

Situate in the City of Tacoma, County of Pierce, State of Washington.
RESOLUTION NO. 40455

A RESOLUTION relating to collective bargaining; authorizing the execution of a Letter of Agreement negotiated between the City of Tacoma and International Brotherhood of Electrical Workers, Local 483, Tacoma Power Unit, regarding employees assigned to work the Trouble Crew.

WHEREAS the City has, for years, adopted the policy of collective bargaining between the various labor organizations representing employees and the administration, and

WHEREAS Resolution No. 39935, adopted February 6, 2018, authorized the execution of the four year Collective Bargaining Agreement ("CBA") between the City of Tacoma and International Brotherhood of Electrical Workers, Local 483, Tacoma Power Unit ("Union"), on behalf of the employees represented by said Union, and

WHEREAS the City and Union have negotiated a Letter of Agreement ("LOA") to the CBA which provides for filling temporary absences on the Trouble Crew and the applicability of Section 14.3(c) and (e) of the CBA, and

WHEREAS employees assigned to work the Trouble Crew will be paid 110% of the journey-level Line Electrician rate, effective retroactively to August 26, 2019, in order to compensate assigned employees for functioning without a lead worker, assessing outage situations quickly and efficiently, and working a rotating shift that requires mandatory availability and rapid responses to calls when off-shift, and

WHEREAS the LOA was considered and approved by the Public Utility Board at its meeting of October 9, 2019, and
WHEREAS it appears in the best interest of the City that the LOA negotiated by said Union and the City be approved; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That the proper officers of the City are hereby authorized to execute the Letter of Agreement negotiated between the City of Tacoma and International Brotherhood of Electrical Workers, Local 483, Tacoma Power Unit, said document to be substantially in the form of the document on file in the office of the City Clerk.

Adopted ________________

________________________
Mayor

Attest:

________________________
City Clerk

Approved as to form:

________________________
Deputy City Attorney

Requested by Public Utility Board Resolution No. U-11104
ORDINANCE NO. 28620

AN ORDINANCE of the City of Tacoma, Washington, relating to Tacoma Power, approving a Supplemental Ordinance; authorizing the extension of and an increase to the City’s Electric System Subordinate Revenue Note, Series 2015A, to a principal amount of not to exceed $150,000,000; authorizing an amendment to the Note Purchase Agreement to provide funds to finance or refinance costs of capital improvements to the Electric System; delegating the authority to approve the final terms of the amendment; and approving certain other matters in connection therewith.

WHEREAS the City of Tacoma, Washington (“City”), by Ordinance No. 23514, passed on November 20, 1985 (as amended and supplemented, including as amended and restated by Ordinance No. 28146, passed on April 30, 2013, collectively, the “Senior Bond Ordinance”), authorized electric system revenue bonds of the City (“Senior Bonds”) to be issued in series having a parity of lien and charge on the Revenues of the Electric System after the payment of Operating Expenses (as those terms are defined therein), if certain conditions are met, and made covenants in connection with the issuance of such Senior Bonds, and

WHEREAS the Senior Bond Ordinance permits the City to issue obligations that are junior and subordinate to the payment of the Senior Bonds and that are payable out of Revenues of the Electric System, after payment of Operating Expenses, only after the prior payment of all amounts required to be paid or set aside under the Senior Bond Ordinance for the Senior Bonds, as the same shall become due at the times and in the manner as required in the Senior Bond Ordinance, and
WHEREAS, on April 21, 2015, the City Council passed Ordinance No. 28295 (as amended as described below, the “Master Subordinate Ordinance”) to authorize a new issue of revenue bonds of the City, junior and subordinate to the Senior Bonds, to be known as the City of Tacoma Electric System Subordinate Revenue Bonds (“Subordinate Bonds”), in one or more series to finance costs of the Electric System, and

WHEREAS, pursuant to the Master Subordinate Ordinance and Ordinance No. 28296, adopted by the City Council on April 21, 2015 (“First Supplemental Ordinance”), the City, acting through its Department of Public Utilities, Light Division (d.b.a. “Tacoma Power”), issued its Electric System Subordinate Revenue Note, Series 2015A to evidence a revolving line of credit in the principal amount of not to exceed $100,000,000 outstanding at any time (the “2015A Note”), and

WHEREAS the 2015A Note was sold to and purchased by Wells Fargo Municipal Capital Strategies, LLC (“Wells Fargo”) by private sale pursuant to the terms of the Note Purchase Agreement dated May 1, 2015 (the “Original Note Purchase Agreement”), between Wells Fargo and the City, acting by and through its Public Utilities Board (the “Board”), and

WHEREAS Tacoma Power has successfully utilized the 2015A Note and the Original Note Purchase Agreement to finance various capital projects, and

WHEREAS implementation of the 2015A Note and the Original Note Purchase Agreement has allowed for a more cost-effective and efficient management of capital construction compared to issuing long-term bonds, as
Tacoma Power could more closely match its draws on the line of credit with the amount and timing of its capital projects, and

WHEREAS, pursuant to a First Amendment to Note Purchase Agreement dated May 11, 2018 (the “First Amendment” and together with the Original Note Purchase Agreement, the “Amended Note Purchase Agreement”), between the City and Wells Fargo Bank, National Association, as successor purchaser (the “Purchaser”) and City Ordinance No. 28509 adopted on May 8, 2018 (the “Second Supplemental Ordinance”), the City and the Purchaser agreed to extend the term of the 2015A Note to August 8, 2020, and to amend certain provisions of the Original Note Purchase Agreement, and

WHEREAS the Board has initiated and has recommended to the City Council for its approval the extension of the expiration date of the 2015A Note and the increase in the principal amount available under the 2015A Note of not to exceed $100,000,000 to not to exceed $150,000,000 outstanding at any time, to provide financing for capital projects of the Electric System, and

WHEREAS, to extend the expiration date and increase the available principal amount of the 2015A Note, Wells Fargo has requested that Tacoma Power enter into an amendment to the Amended Note Purchase Agreement (the “Second Amendment,” and the Amended Note Purchase Agreement as amended by the Second Amendment, and as it may be further amended, is referred to as the “Note Purchase Agreement”), and

WHEREAS the extension of the expiration date, the increase in the available principal amount, and the execution of the Second Amendment will be
treated (as of the date of the Second Amendment) as a new note issuance for federal income tax purposes, and

WHEREAS, pursuant to RCW 39.46.040 the City Council wishes to delegate authority to the Director of Public Utilities, or in the alternative, the Tacoma Power Superintendent, as provided herein, for a limited time, to approve the not to exceed principal amount available under the 2015A Note, the final maturity date for the 2015A Note, the terms of the Second Amendment, and other provisions relating to the 2015A Note within the parameters set by this ordinance, and

WHEREAS the City Council now desires to authorize the extension of the expiration date of the 2015A Note, the increase of the available principal amount, and the execution of the Second Amendment and related documents subject to the terms and conditions set forth in this ordinance; Now, Therefore,

BE IT ORDAINED BY THE CITY OF TACOMA:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions and Interpretation of Terms. Unless otherwise defined in the recitals and elsewhere in this Supplemental Ordinance, capitalized terms used herein shall have the meanings set forth in the Master Subordinate Ordinance, as previously amended.
ARTICLE II

PARITY AND OTHER FINDINGS

Section 2.1. Parity Findings. In connection with the 2015A Note, the City hereby makes the following findings:

A. There is, and as of the effective date of the Second Amendment there will be, no deficiency in the Bond Fund, and no Event of Default has occurred or shall have occurred and being continuing.

B. The principal of and interest on the 2015A Note shall continue to be paid out of the Bond Fund and subject to the terms of the Master Subordinate Ordinance, the First Supplemental Ordinance, and the Note Purchase Agreement.

C. On the effective date of the Second Amendment, there will be on file with the City, if necessary, a certificate satisfying the conditions set forth in Section 6.1 of the Master Subordinate Ordinance.

Section 2.2. Findings as to Sufficiency of Gross Revenue. The City hereby confirms, finds, and determines that the Revenues of the Electric System at the rates to be charged for power and other services and commodities from the Electric System will be more than sufficient to meet all Operating Expenses, to make all required payments with respect to the Senior Bonds, and to permit the setting aside into the Bond Fund out of the Revenues of amounts sufficient to pay the principal of and interest on the 2015A Note as increased and extended and when due at maturity and upon any mandatory sinking fund redemption thereof.

The City further finds and determines that in creating the Bond Fund and in fixing the amounts to be paid into the Bond Fund, it has exercised due regard for
Operating Expenses, and the City has not bound and obligated itself to set aside and pay into the Bond Fund a greater amount or proportion of the Revenues than in the judgment of the City will be available over and above the Operating Expenses.

ARTICLE III
AUTHORIZATION

Section 3.1. Authorization.

A. The City Council has determined that it would be in the best interest of the City to delegate to the Director of Public Utilities, or in the alternative, the Tacoma Power Superintendent (the “Representatives”), for a limited time the authority to extend the term of the 2015A Note, increase the available principal amount of the 2015A Note, and approve the terms of the Second Amendment, as provided herein.

Subject to the terms and conditions set forth in this Section 3.1, each Representative is hereby authorized to approve the final term of the 2015A Note, the available principal amount of the 2015A Note, and the final terms of the Second Amendment and to agree to any additional terms and covenants that are in the best interest of the City and consistent with this ordinance, provided that:

(a) The available principal amount of the 2015A Note that may be outstanding at any time does not exceed $150,000,000;

(b) The final maturity of the 2015A Note is no later than December 31, 2021; and
(c) The initial variable interest rate on the 2015A Note, as increased and extended, does not exceed 80% of one-month LIBOR rate plus 43 basis points for funds used (subject to adjustment as set forth in the Note Purchase Agreement), and 21.5 basis points for funds not drawn under the Note Purchase Agreement, and as such terms may be further adjusted under the Note Purchase Agreement.

Subject to the terms and conditions set forth in this Section 3.1, each Representative is hereby authorized to approve the final terms and conditions of the Second Amendment in coordination with Bond Counsel, the Financial Advisor and the City Attorney’s Office, to agree to any additional terms and covenants that are in the best interest of the City and consistent with this ordinance, and to execute and implement the Second Amendment (including the payment of any financing costs associated with the delivery of the Second Amendment), and such approval shall be conclusively evidenced by his or her execution thereof.

The authority granted to the Representatives by this section shall expire on December 31, 2019. If the Second Amendment has not been executed by such date, the authorization provided herein shall be rescinded, and the Second Amendment shall not be executed and the replacement 2015A Note shall not be delivered to the Purchaser unless such authority has been re-authorized by ordinance of the City Council at the request of the Board.

B. The terms of the 2015A Note shall otherwise be as set forth in the Note Purchase Agreement. The principal of and interest on the 2015A Note shall be due and payable at the rates, on the dates, and in the manner as set forth in the Note Purchase Agreement. The 2015A Note shall be subject to mandatory and
optional redemption and to mandatory tender for purchase prior to maturity on the
dates and at the prices as set forth in the Note Purchase Agreement. The City
Treasurer shall continue to be designated as the Paying Agent for the 2015A Note
in accordance with the Master Subordinate Ordinance.

C. Advances drawn by the City under the 2015A Note shall be disbursed as
provided in the First Supplemental Ordinance to pay costs of the 2015A Note
Projects, as such projects may be supplemented and amended from time to time
as provided in the First Supplemental Ordinance, to currently refund the
outstanding balance on the 2015A Note, and to pay costs associated with the
Second Amendment and extension and increase of the 2015A Note. The Plan of
Additions, as supplemented and amended from time to time, is hereby confirmed.

Section 3.2. Form of 2015A Note; Purchaser. The definitive replacement
2015A Note shall be in substantially the form set forth in Exhibit “A” attached to the
First Supplemental Ordinance and made a part hereof, with appropriate variations,
omissions, and insertions as shall be required or appropriate consistent with the
Master Subordinate Ordinance, the First Supplemental Ordinance, and this
Supplemental Ordinance to reflect the terms as provided herein.

A replacement 2015A Note certificate reflecting the terms of the Second
Amendment shall be delivered to the Purchaser, or its affiliate, pursuant to and in
accordance with the Note Purchase Agreement.
ARTICLE IV

MISCELLANEOUS

Section 4.1. Ratification of Prior Acts. Any action taken consistent with the authority and prior to the effective date of this Supplemental Ordinance is ratified, approved, and confirmed.

Section 4.2. General Authorization. The appropriate officers, agents, and employees of the City are authorized and directed to execute and deliver such documents, agreements, and certificates, including, but not limited to, a federal tax certificate setting forth the requirements of the Code for maintaining the tax exemption of interest on the 2015A Note, and to take such other actions, upon consultation with the City Attorney, as may be necessary or desirable and in the best interests of the City to effect the accomplishment of the extension of and increase to the 2015A Note and execution and delivery of the Second Amendment and to carry out the purposes and intents of this Supplemental Ordinance and the transactions contemplated thereby.

Section 4.3. Terms of 2015A Note Subject to the Master Subordinate Ordinance and the First Supplemental Ordinance; Ratification. Except as expressly provided herein, every term and condition contained in the Master Subordinate Ordinance, the First Supplemental Ordinance and the Second Supplemental Ordinance shall apply to this Supplemental Ordinance and the 2015A Note with the same force and effect as if the same were herein set forth at length, with such omissions, variations, and modification as may be appropriate to make the same conform to this Supplemental Ordinance.
Except as supplemented and amended by this Supplemental Ordinance, the Master Subordinate Ordinance, the First Supplemental Ordinance and the Second Supplemental Ordinance are hereby ratified, approved, and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented.

Section 4.4. Provisions of Note Purchase Agreement. The terms and provisions of the 2015A Note as set forth in the Note Purchase Agreement shall control over any inconsistent provision of this Supplemental Ordinance.

Section 4.5. Effective Date of Ordinance. This Supplemental Ordinance shall take effect and be in force 10 days after its passage, approval, and publication as required by law.

Passed ________________

________________________
Mayor

Attest:

________________________
City Clerk

Approved as to form and legality:

Pacifica Law Group LLP
Bond Counsel

By ______________

-10-
CLERK’S CERTIFICATE

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

1. That the attached Ordinance No. ____ (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 ___ day of __________, 2019, 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 as of this ____ day of __________, 2019.

__________________________________________
City Clerk
City of Tacoma, Washington
ORDINANCE NO. 28621

AN ORDINANCE of the City of Tacoma, Washington, relating to Tacoma Power, approving terms relating to debt service reserve accounts established for certain of the City’s senior lien electric system revenue bonds; authorizing the extension of qualified insurance to satisfy the debt service reserve account requirement for such bonds; and approving certain other matters in connection therewith.

WHEREAS the City of Tacoma, Washington (“City”), by Ordinance No. 23514, passed on November 20, 1985 (as amended and supplemented, including as amended and restated by Ordinance No. 28146, passed on April 30, 2013, collectively, the “Senior Bond Ordinance”), acting through its Department of Public Utilities, Light Division (d.b.a. “Tacoma Power”), authorized the issuance of senior lien electric system revenue bonds of the City to be issued in series having a parity of lien and charge on the Revenues of the Electric System after the payment of Operating Expenses (as those terms are defined therein), if certain conditions are met, and made covenants in connection with the issuance of such revenue bonds, and

WHEREAS the City has issued and has currently outstanding the following series of electric system revenue bonds (the “Outstanding Parity Bonds”):
<table>
<thead>
<tr>
<th>Name of Bonds</th>
<th>Authorizing Supplemental Ordinance</th>
<th>Bonds Dated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric System Revenue Bonds, Series 2017 (the “2017 Bonds”)</td>
<td>28444</td>
<td>September 1, 2017</td>
</tr>
</tbody>
</table>

and

WHEREAS the City reserved the right in the Senior Bond Ordinance and in the supplemental ordinances authorizing the issuance of the Outstanding Parity Bonds (together, the “Outstanding Parity Bond Ordinances”) to issue additional parity bonds upon satisfaction of certain requirements (“Future Parity Bonds”, and together with the Outstanding Parity Bonds, the “Parity Bonds”), and

WHEREAS the City has established a debt service reserve account (the “Reserve Account”) and subaccounts within the Reserve Account to secure the payment of principal of and interest on the 2010B Bonds, the 2010C Bonds, the 2013A Bonds and the 2013B Bonds (the “Reserve Account Secured Bonds”), and

WHEREAS such reserve subaccounts created in the Reserve Account secure only the payment of principal of and interest on the Reserve Account
Secured Bonds and any Future Parity Bonds that the City elects to have secured by such subaccounts, and do not secure the payment of the principal of or interest on the 2017 Bonds, and

WHEREAS, with the consent of the appropriate percentage of Parity Bond owners, the Outstanding Parity Bond Ordinances permit the Council to, at any time, pass an ordinance amending or supplementing the applicable Outstanding Parity Bond Ordinances for the purpose of providing that in calculating the Reserve Account Requirement (as defined in the Outstanding Parity Bond Ordinances), the City may deduct the direct payment the City is expected to receive in respect of the 2010B Bonds, the 2010C Bonds, and other Future Parity Bonds for which the federal government will provide the City with a direct payment of a portion of the interest from the interest portion of Annual Debt Service (as defined in the Outstanding Parity Bond Ordinances), and

WHEREAS, by their purchase of the bonds, the City has received the consent of the requisite amount of owners of the Outstanding Parity Bonds, and

WHEREAS the City now desires to deduct the direct payment the City is expected to receive from its calculation of Annual Debt Service as authorized in the Outstanding Parity Bond Ordinances, and

WHEREAS the City is permitted to satisfy the Reserve Account Requirement with respect to the Reserve Account Secured Bonds by the purchase of Qualified Insurance (as defined in the Outstanding Parity Bond Ordinances), and

WHEREAS the City obtained Qualified Insurance through the purchase of a reserve account surety policy (the “Surety Policy”) from Financial Security
Assurance ("FSA"), now known as Assured Guaranty Municipal Corp. ("Assured"),
with a commitment dated July 23, 1999, which is scheduled to expire on January 1,
2020, and

WHEREAS, the City now desires to extend the term of the reserve account
Surety Policy from Assured as provided herein; Now, Therefore,

BE IT ORDAINED BY THE CITY OF TACOMA:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions and Interpretation of Terms. Unless otherwise
defined in the recitals and elsewhere in this Supplemental Ordinance, capitalized
terms used herein shall have the meanings set forth in the Outstanding Parity
Bond Ordinances.

ARTICLE II

AUTHORIZATION

Section 2.1. Election Regarding Calculation of the Debt Service Reserve
Account Requirement. The City hereby supplements the applicable Outstanding
Parity Bond Ordinances to provide, as authorized therein, that in calculating the
Reserve Account Requirement, the City may deduct the direct payment the City is
expected to receive in respect of the 2010B Bonds, the 2010C Bonds, and other
Future Parity Bonds for which the federal government will provide the City with a
direct payment of a portion of the interest from the interest portion of Annual Debt
Service.
Section 2.2. Extension of Qualified Insurance. The City hereby authorizes an extension of the term of the existing Surety Policy from Assured to a date determined to be in the best interest of the City and agreed upon by Assured.

Section 2.3. Provisions Relating to the Surety Policy. So long as (1) any of the Reserve Account Secured Bonds are outstanding or any Policy Costs (defined herein) are owed to Assured and (2) the Surety Policy satisfies the Reserve Account Requirement relating to any of the Reserve Account Secured Bonds, the applicable Outstanding Parity Bond Ordinances are hereby supplemented to provide the following terms and conditions related to the Surety Policy, notwithstanding anything to the contrary set forth in the Outstanding Parity Bond Ordinances:

A. The Surety Policy constitutes a permitted debt service reserve instrument under the applicable provisions of the Outstanding Parity Bond Ordinances. Upon any payment by Assured under the Surety Policy, Assured shall furnish to the City written instructions as to the manner in which payment of amounts owed to Assured as a result of such payment under the Surety Policy shall be made. Amounts drawn under the Surety Policy shall be used solely to pay scheduled payments of principal and interest due on the Reserve Account Secured Bonds.

B. The City shall pay Assured the principal amount of any draws under the Surety Policy and pay all related reasonable expenses incurred by Assured and shall pay interest thereon from the date of payment by Assured at the Late Payment Rate. “Late Payment Rate” means the lesser of (a) the greater of (i) the
per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (the “Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3% and (ii) the then applicable highest rate of interest on the Reserve Account Secured Bonds, and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such national bank as Assured shall designate. If the interest provisions of this subsection B shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by Assured, with the same force and effect as if the City had specifically designated such extra sums to be so applied and Assured had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness
created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

C. Repayment of draws and payment of expenses and the interest accrued thereon at the Late Payment Rate (collectively, “Policy Costs”) shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12th of the aggregate of Policy Costs related to such draw. Amounts in respect of Policy Costs paid to Assured shall be credited first to interest due, then to the expenses due, and then to principal due.

D. As and to the extent that payments are made to Assured on account of principal due, the coverage under the Surety Policy will be increased by a like amount, subject to the terms of the Surety Policy.

E. All cash and investments in the Reserve Account shall be transferred to the debt service fund for payment of debt service on the Reserve Account Secured Bonds before any drawing may be made on the Surety Policy or on any alternative credit instrument. Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all alternative credit instruments (including the Surety Policy) on which there is available coverage shall be made on a pro rata basis (calculated by reference to available coverage under each such alternative credit instrument) after applying available cash and investments in the Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to alternative credit instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Account.
For the avoidance of doubt, “available coverage” means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

F. Upon a failure to pay Policy Costs when due or any other breach of the terms of this Supplemental Ordinance, Assured shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Outstanding Parity Bond Ordinances, other than (i) acceleration of the maturity of the Reserve Account Secured Bonds or (ii) remedies which would adversely affect owners of the Reserve Account Secured Bonds.

G. The Outstanding Parity Bond Ordinances shall not be discharged until all Policy Costs owing to Assured shall have been paid in full. The City’s obligation to pay such amounts shall expressly survive payment in full of the Reserve Account Secured Bonds. In order to secure the City’s payment obligations with respect to the Policy Costs, there is hereby granted and perfected in favor of Assured a security interest (subject only to the priority of payment provisions set forth under the Outstanding Parity Bond Ordinances) in all revenues and collateral pledged as security for the Reserve Account Secured Bonds.

H. The Bond Registrar shall ascertain the necessity for a claim upon the Surety Policy in accordance with the provisions of this Supplemental Ordinance and shall provide notice to Assured in accordance with the terms of the Surety Policy at least five business days prior to each date upon which interest or principal
is due on the Reserve Account Secured Bonds. Where deposits are required to be
made by the City with the Bond Registrar to the debt service fund for the Reserve
Account Secured Bonds more often than semi-annually, the Bond Registrar shall
give notice to Assured of any failure of the City to make timely payment in full of
such deposits within two business days of the date due.

I. The City will pay or reimburse Assured, solely from the revenues pledged
for payment of the Reserve Account Secured Bonds, any and all charges, fees,
costs, losses, liabilities, and expenses which Assured may pay or incur, including,
but not limited to, fees and expenses of attorneys, accountants, consultants, and
auditors and reasonable costs of investigations, in connection with (i) any accounts
established to facilitate payments under the Surety Policy, (ii) the administration,
enforcement, defense, or preservation of any rights in respect of this Supplemental
Ordinance or the Outstanding Parity Bond Ordinances (the “Related Documents”),
including defending, monitoring, or participating in any litigation or proceeding
(including any bankruptcy proceeding in respect of the City) relating to the Related
Documents, any party to the Related Documents, or the transactions contemplated
by the Related Documents, (iii) the foreclosure against, sale, or other disposition of
any collateral securing any obligations under the Related Documents, if any, or the
pursuit of any remedies under the Related Documents, to the extent such costs
and expenses are not recovered from such foreclosure, sale, or other disposition,
(iv) any amendment, waiver, or other action with respect to, or related to the Surety
Policy or the Related Documents whether or not executed or completed, or (v) any
action taken by Assured to cure a default or termination or similar event (or to
mitigate the effect thereof) under the Related Documents; costs and expenses
shall include a reasonable allocation of compensation and overhead attributable to
time of employees of Assured spent in connection with the actions described in
clauses (ii) through (v) above. Assured reserves the right to charge a reasonable
fee as a condition to executing any amendment, waiver, or consent proposed in
respect of the Related Documents. Amounts payable by the City hereunder shall
bear interest at the Late Payment Rate from the date such amount is paid or
incurred by Assured until the date Assured is paid in full.

J. The obligation of the City to pay, solely from the revenues pledged for
payment of the Reserve Account Secured Bonds, all amounts due under this
Supplemental Ordinance shall be an absolute and unconditional obligation of the
City and will be paid or performed strictly in accordance with this Supplemental
Ordinance, irrespective of (i) any lack of validity or enforceability of or any
amendment or other modifications of, or waiver with respect to the Reserve
Account Secured Bonds or the Related Documents, (ii) any amendment or other
modification of, or waiver with respect to the Surety Policy, (iii) any exchange,
release, or non-perfection of any security interest in property securing the Reserve
Account Secured Bonds or the Related Documents, (iv) whether or not such
Reserve Account Secured Bonds are contingent or matured, disputed or
undisputed, liquidated or unliquidated, (v) any amendment, modification, or waiver
of or any consent to departure from the Surety Policy or the Related Documents,
(vi) the existence of any claim, setoff, defense (other than the defense of payment
in full), reduction, abatement, or other right which the City may have at any time
against the Bond Registrar or any other person or entity other than Assured,
whether in connection with the transactions contemplated in the Related
Documents or any unrelated transactions, (vii) any statement or any other
document presented under or in connection with the Surety Policy proving in any
and all respects invalid, inaccurate, insufficient, fraudulent, or forged or any
statement therein being untrue or inaccurate in any respect, or (viii) any payment
by Assured under the Surety Policy against presentation of a certificate or other
document which does not strictly comply with the terms of the Surety Policy.

K. The City shall fully observe, perform and fulfill each of the provisions (as
each of those provisions may be amended, supplemented, modified, or waived
with the prior written consent of Assured) of the Outstanding Parity Bond
Ordinances applicable to it, each of the provisions thereof being incorporated
herein by reference as if set forth directly herein. No provision of the Related
Documents shall be amended, supplemented, modified, or waived, without the
prior written consent of Assured, in any material respect or otherwise in a manner
that could adversely affect the payment obligations of the City hereunder or the
priority accorded to the reimbursement of Policy Costs under the Outstanding
Parity Bond Ordinances. Assured is hereby expressly made a third party
beneficiary of the Related Documents.

L. The City covenants to provide to Assured, promptly upon request, any
information regarding the Reserve Account Secured Bonds or the financial
condition and operations of the City as reasonably requested by Assured. The City
will permit Assured to discuss the affairs, finances, and accounts of the City or any
information Assured may reasonably request regarding the security for the Reserve Account Secured Bonds with appropriate officers of the City and will use commercially reasonable efforts to enable Assured to have access to the facilities, books, and records of the City on any business day upon reasonable prior notice.

M. Notices to Assured shall be sent to the following address (or such other address as Assured may designate in writing): Assured Guaranty Municipal Corp., 1633 Broadway, New York, New York 10019, Attention: Managing Director–Surveillance, Re: Policy No. ______.

ARTICLE III

MISCELLANEOUS

Section 3.1. Ratification of Prior Acts. Any action taken consistent with the authority and prior to the effective date of this Supplemental Ordinance is ratified, approved, and confirmed.

Section 3.2. General Authorization. The appropriate officers, agents, and employees of the City are authorized and directed to execute and deliver such documents, agreements, notices, and certificates, and to take such other actions, upon consultation with the City Attorney, as may be necessary or desirable and in the best interests of the City to effect the accomplishment of the calculation of the Reserve Account Requirement and the extension of the term of the Surety Policy and to carry out the purposes and intents of this Supplemental Ordinance and the transactions contemplated thereby, including, but not limited to, the payment of any fee or premium associated with the extension of the term of the Surety Policy.
Section 3.3. Ratification. Except as expressly provided herein, every term and condition contained in the Outstanding Parity Bond Ordinances shall apply to this Supplemental Ordinance and the Outstanding Parity Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations, and modification as may be appropriate to make the same conform to this Supplemental Ordinance.

Except as supplemented and amended by this Supplemental Ordinance, the Outstanding Parity Bond Ordinances are hereby ratified, approved, and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented.

Section 3.4. Effective Date of Ordinance. This Supplemental Ordinance shall take effect and be in force 10 days after its passage, approval, and publication as required by law.

Passed ____________________

______________________________
Mayor

Attest:

______________________________
City Clerk

Approved as to form and legality:

Pacifica Law Group LLP
Bond Counsel

By ____________________________
CLERK’S CERTIFICATE

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

1. That the attached Ordinance No. ____ (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 ___ day of __________, 2019, 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 as of this ____ day of __________, 2019.

___________________________
City Clerk
City of Tacoma, Washington

-14-