

- 9:00 pm **14. EXECUTIVE SESSION –** (CLOSED SESSION - At this time of the Agenda, the City Council will adjourn to Executive Session for approximately one hour, per RCW 42.30.110(1)(g), to review the performance of a public employee. Any action on this issue will only be taken during Council Open Session.)
- 10:00 pm **15. ADJOURNMENT**

*PRELIMINARY CITY COUNCIL AGENDA

November 4, 2019
Regular Council Meeting

November 18, 2019
Regular Council Meeting

December 2, 2019
Regular Council Meeting

December 16, 2019
Regular Council Meeting

Preliminary City Council Agenda subject to change without notice*
Complete Agendas will be available 24 hours prior to scheduled meeting.
To obtain Council Agendas, please visit www.cityofup.com.

American Disability Act (ADA) Accommodations Provided Upon Advance Request
Call the City Clerk at 253-566-5656

CITY OF UNIVERSITY PLACE PROCLAMATION

WHEREAS, in 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees; and

WHEREAS, the holiday called *Arbor Day* is now observed throughout the nation and the world; and

WHEREAS, trees can reduce the erosion of our precious topsoil by wind and water, cut heating and cooling costs, moderate the temperature, clean the air, provide oxygen and provide habitat for wildlife; and

WHEREAS, trees in our city increase property values, enhance the economic vitality of business areas and beautify our community; and

WHEREAS, trees, wherever they are planted, are a source of joy and spiritual renewal; and

WHEREAS, all citizens are encouraged to support efforts to protect our trees and to support our City's urban forestry program, and to plant trees to gladden the hearts and promote the well-being of present and future generations.

NOW, THEREFORE, the City Council of the City of University Place does hereby recognize and support Saturday, October 26, 2019 to be

ARBOR DAY IN THE CITY OF UNIVERSITY PLACE

PROCLAIMED BY THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, ON OCTOBER 21, 2019.

Kent Keel, Mayor

ATTEST:

Emy Genetia, City Clerk

APPROVAL OF CONSENT AGENDA

**CITY OF UNIVERSITY PLACE
DRAFT MINUTES
Regular Meeting of the City Council
Monday, October 7, 2019
City Council Chambers, Market Place West**

1. CALL REGULAR MEETING TO ORDER

Mayor Keel called the Regular Meeting to order at 6:32 p.m.

2. ROLL CALL

Roll call was taken by the City Clerk as follows:

Councilmember Figueroa	Present
Councilmember Pro Tem Lee	Present
Councilmember McCluskey	Present
Councilmember Nye	Present
Councilmember Worthington	Present
Mayor Pro Tem Belleci	Present
Mayor Keel	Present

Staff Present: City Manager Sugg, City Attorney Kaser, Finance Director Blaisdell, Public Works, Parks & Facilities Director Cooper, Planning and Development Services Director Swindale, Executive Director/ACM Craig, Public Safety Manager Hales, Engineering and Capital Projects Director Ecklund and City Clerk Genetia.

3. PLEDGE OF ALLEGIANCE

Mayor Pro Tem Belleci led Council in the Pledge of Allegiance.

4. APPROVAL OF AGENDA

MOTION: By Mayor Pro Tem Belleci, seconded by Councilmember Figueroa, to approve the agenda.

The motion carried.

5. PRESENTATIONS

University Place Police Department Volunteer Recognition – Mayor Pro Tem Belleci presented Don Cooper with a proclamation in recognition of his service as a volunteer for the University Place Police Department for 19 years. Public Safety Manager Hales, on behalf of Police Chief Premo, presented Mr. Cooper with a Challenge Coin in appreciation for his service.

2019 Second Quarter Financial Report - Finance Director Leslie Blaisdell presented the second quarter 2019 Financial Report, giving a summary of revenues and expenditures.

6. PUBLIC COMMENTS – The following individuals provided public comment: Nicole Rode, 7810 64th Street Court West; Shannon Mandel; and Steve Scott, 4286 Norma Avenue, Arden Hills, MN

7. CONSENT AGENDA

MOTION: By Mayor Pro Tem Belleci, seconded by Councilmember McCluskey, to approve the Consent Agenda as follows:

A. Approve the minutes of the September 16, 2019 Council meeting as submitted.

B. Receive & File: Payroll for the period ending 09/15/19 and claims dated 09/13/19 and 09/30/19.

C. Receive & File: 2019 Second Quarter Financial Report.

The motion carried.

8. CITY MANAGER & COUNCIL COMMENTS/REPORTS

City Manager Sugg informed Council that October 26 is Make a Difference Day and that the City will be celebrating it by cleaning up Cirque Park from 9:00 a.m. to noon; tools will be supplied to volunteers who participate in the clean-up. As a follow-up to Council's directive regarding the Curran Restroom, he also reported that the project will be brought back to Council in November to determine the scope of work for a feasibility study to address questions raised by Council.

Councilmember McCluskey commended Mr. Don Cooper for his 19 years of service as a volunteer. She spoke about bringing the Animal Control contract back for study for further review and cost analysis. In addition, Councilmember McCluskey raised safety concerns at Kobayashi Park.

Councilmember Worthington reported that he attended the League of Oregon Cities conference two weeks ago and shared his thoughts and things learned from the conference. He also updated Council on the City's latest public outreach efforts with FlashVote now having 370 participants, 240 responses on Economic Development.

Councilmember Pro Tem Lee shared his thoughts about the importance of volunteerism and commended Helen McDaniel and Bunny Nance for the wonderful work they do at the information booth in the Atrium.

Councilmember Nye invited the public to root for the Curtis High School Vikings at its homecoming football game on Friday.

Mayor Keel remarked on the successful and well-attended Four-Corners kick-off meeting held on September 24.

STUDY SESSION

9. BUSINESS LICENSING RECOMMENDATION

In response to Council's legislation directing the Economic Development Advisory Commission to do an in-depth review on several issues which arose from the discussion on Ordinance No. 709, City Attorney Kaser, along with Economic Development Advisory Commission (EDAC) Chair Ron Kent, presented an ordinance reflecting the proposed changes to the City's business licensing code recommended by EDAC. The proposed changes include fixing two loopholes identified in the code; streamlining multiple forms of business licensing types (conditional licensing); language clean-up; and due process protection.

Council raised questions/clarification regarding the criteria for licensing conditions; how penalties and violations be aligned with form-based code; and decision on penalties for non-conformance. Additional study on the matter will be scheduled at a future date.

10. CHAMBERS CREEK CANYON TRAIL INTERLOCAL AGREEMENT

Planning and Development Services Director Swindale, along with Public Works, Parks & Facilities Director Cooper, presented a recommendation to enter into an interlocal agreement with the City of Lakewood and Pierce County for the planning, design and construction of the Chamber Creek Canyon Trail. Staff from the cities and County have jointly worked on this interlocal agreement to cooperate with the final engineering, permitting and construction of the bridges and boardwalk funded in part by two grants awarded by the Washington State Recreation and Conservation Office (RCO).

The development of the Chambers Creek Canyon Trail is an adopted City Council goal described in the 2014 Parks, Recreation and Open Space (PROS) Plan and the City's Comprehensive Plan.

Discussion followed regarding the trail system's long-term maintenance; percentage of funding; permitting cost; right of entry; timeline and policing.

11. LEGISLATIVE PROPOSAL: APPROPRIATION OF FUNDS TO ACCELERATE THE CONSTRUCTION OF THE CHAMBERS CREEK ROAD PHASE I PROJECT

Councilmember Figueroa and Councilmember McCluskey voiced their views about their legislative proposal to appropriate funds to accelerate the construction of the Chambers Creek Road Phase I project by approximately 12 months. Councilmember Figueroa added that he also wanted Council to have a discussion on how they can budget for potential projects without having to wait for grant funding.

Engineering and Capital Projects Director Ecklund explained that in order to accomplish the project set forth in the legislative proposal, the City will have to apply for Advance Construction Authorization for the federal grant that has been awarded to the City for both the design and construction of this project. The project includes the construction of pedestrian and bicycle improvements, as well as a signalized cross-walk in the vicinity of Charles Wright Academy. The Advance Construction Authorization would allow the City to spend funds on the project up front and then be reimbursed for the grant portion when the funding becomes available. Under this authorization, grant funding for the project design phase would be available for reimbursement in 2020; and the funding for the project construction phase would be available for reimbursement in 2021. Director Ecklund indicated that for this to happen, a transfer from another fund will be necessary. The Public Safety Fund has been identified as having the available funding to handle the transfer. This fund would then be reimbursed in the 2021-2022 biennium budget through the grant reimbursements and the local match programmed into the budget. An adjustment to the City's budget is needed to advance the funding.

Discussion followed regarding concerns about the borrowing of funds from another fund; the precedent this would set for others; and budget management. Councilmember Figueroa and Councilmember Worthington have agreed to write a legislative proposal on policy/criteria for funding other non-funded projects. Council requested that a flow chart of the project funding and reimbursement schedule be provided for review.

12. ADJOURNMENT

The meeting adjourned at 8:55 p.m. No other action was taken.

Submitted by,

Emy Genetia
City Clerk

**CITY OF UNIVERSITY PLACE
DRAFT MINUTES
Special Meeting of the City Council
Joint City Council/City Advisory Commission Meeting
Monday, October 14, 2019
City Hall Gallery**

CALL TO ORDER

Mayor Keel called the meeting to order at 6:30 p.m.

Attendance was noted as follows: Mayor Keel, Mayor Pro Tem Belleci, Councilmember Figueroa, Councilmember McCluskey, Councilmember Pro Tem Lee, Councilmember Nye, and Councilmember Worthington.

Staff Present: City Manager Sugg, City Attorney Kaser, Executive Director/ACM Craig, Police Chief Premo, Public Safety Manager Hales, Principal Planner Briske, City Clerk Genetia, and Deputy City Clerk Nicholas.

Commissioners: Economic Development Advisory Commission: Joshua Koontz; Park Advisory Commission: Jack Mushallo; Planning Commission: Frank Boykin, Tonya Mushallo; Public Safety Advisory Commission: Torey Heidelberg, Alex Meusburger, Hallie McCurdy, Galina Perekopsky, Melody Williams, and Ed Wood.

25th ANNIVERSARY CELEBRATION UPDATE

Mayor Pro Tem Belleci shared development made by the 25th Anniversary Celebration Subcommittee to organize and secure entertainment, vendors, and funding for the City's August 22, 2020 event.

IMAGINE 2045 CAMPAIGN UPDATE

Councilmember Worthington presented progress made by the Vision Subcommittee to engage residents in recrafting the City's vision statement. He promoted the Commission's continued efforts toward building public awareness and reported enrollment numbers for FlashVote, the City's e-newsletter, and emails being used to solicit community input.

A YEAR IN REVIEW

Commissioners Wood, Mushallo, Boykin and Koontz provided details of the work being done by their commissions to complete their Council-approved work plans.

A LOOK AHEAD

Mayor Keel brought attention to upcoming changes in leadership due to the November Council elections and the recent appointment of Council Member Pro Tem Lee.

City Manager Sugg announced that the Council Retreat has been scheduled for January 25, 2020 and that the goal setting and budgeting process will begin in the spring of 2020.

CLOSING REMARKS

Mayor Keel and Council Members gave their closing remarks.

ADJOURNMENT

The meeting adjourned at 8:15 p.m. No other action was taken.

Submitted by,

Debora Nicholas
Deputy City Clerk

**MISSION COMMITTEE
DRAFT MEETING MINUTES
Monday, July 15, 2019
City Council Chambers**

The meeting commenced at 6:00 p.m.

Those in attendance:

Councilmembers: Nye, Belleci, Figueroa, Keel, McCluskey, and Worthington

Staff: City Manager Sugg, City Attorney Kaser, Executive Director/ACM Craig, and Deputy City Clerk Nicholas

INTRODUCTION TO MISSION PLANNING

Creating a Community Mission Statement

Councilmember Nye presented a PowerPoint in support of developing a City Mission Statement. He described what a mission statement is, its purpose, and the value it would carry.

Individual councilmembers expressed their support or opposition to the idea of developing a City mission statement.

Developing a Mission Statement

NEXT STEPS

A study session will be scheduled to formulate common goals for the Statement.

ADJOURNMENT

The meeting adjourned at 6:28 p.m.

Submitted by:

Debra Nicholas
Deputy City Clerk

Approved by:

Chris Nye, Chair
Mission Committee

City of University Place
Voucher Approval Document

Control No.: 57	Agenda of: 10/21/19	PREPAY
------------------------	----------------------------	---------------

Claim of: Payroll for Pay Period Ending 09/30/19

Check #	Date	Amount	Check #	Date	Amount	
318861	10/04/19	586.41				
318862	10/04/19	2,143.19				
				10/04/19	132,283.43	DIRECT DEPOSIT
			EMPLOYEE NET		135,013.03	
318863	10/04/19	440.00				IUOE LOCAL 612
318864	10/04/19	6,476.12				IUOE LOCALS 302/612 TRUST FUND
WIRE	10/04/19	73,027.42				AWC EMPLOYEE BENEFIT TRUST
WIRE	10/04/19	24,734.85				BANK OF AMERICA
WIRE	10/04/19	22,777.67				- 106006, VANTAGEPOINT TRANSF
WIRE	10/04/19	9,542.01				- 304197, VANTAGEPOINT TRANSF
WIRE	10/04/19	5,242.35				- 800263, VANTAGEPOINT TRANSF
WIRE	10/04/19	1,372.07				PACIFIC SOURCE ADMINISTRATORS
WIRE	10/04/19	40,675.70				WA STATE DEPT OF RETIREMENT SY
WIRE	10/04/19	250.00				- 705544, VANTAGEPOINT TRANSF
WIRE	10/04/19	368.03				UNUM LIFE INSURANCE COMPANY
WIRE	10/04/19	635.76				UNUM LIFE INSURANCE COMPANY
WIRE	10/04/19	200.87				AFLAC INSURANCE
WIRE	10/04/19	1,126.43				WA ST DEPT OF RETIREMENT SYS
WIRE	10/04/19	148.45				- 304197 LOAN, VANTAGEPOINT TR
WIRE	10/04/19	3,060.62				- 106006 LOAN, VANTAGEPOINT
WIRE	10/04/19	250.00				NATIONWIDE RETIREMENT SOLUTION
			BENEFIT/DEDUCTION AMOUNT		190,328.35	
			TOTAL AMOUNT		325,341.38	

Preparer Certification:

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation against the above-named governmental unit, and that I am authorized to authenticate and certify to said claim.

Signed: (Signature on file.)
Steve Sugg, City Manager

Date _____

City of University Place
Voucher Approval Document

Control No.: 57	Agenda of: 11/04/19	PREPAY
------------------------	----------------------------	---------------

Claim of: Payroll for Pay Period Ending 10/15/19

Check #	Date	Amount	Name	Check #	Date	Amount	Name
---------	------	--------	------	---------	------	--------	------

10/18/2019 133,524.05 DIRECT DEPOSIT

EMPLOYEE NET 133,524.05

WIRE	10/18/2019	24,408.89	BANK OF AMERICA
WIRE	10/18/2019	22,794.78	- 106006, VANTAGEPOINT TRANSF
WIRE	10/18/2019	9,617.01	- 304197, VANTAGEPOINT TRANSF
WIRE	10/18/2019	5,181.72	- 800263, VANTAGEPOINT TRANSF
WIRE	10/18/2019	13.75	PACIFIC SOURCE ADMINISTRATORS
WIRE	10/18/2019	1,372.07	PACIFIC SOURCE ADMINISTRATORS
WIRE	10/18/2019	40,652.10	WA STATE DEPT OF RETIREMENT SY
WIRE	10/18/2019	250.00	- 705544, VANTAGEPOINT TRANSF
WIRE	10/18/2019	200.87	AFLAC INSURANCE
WIRE	10/18/2019	1,126.43	WA ST DEPT OF RETIREMENT SYS
WIRE	10/18/2019	148.45	- 304197 LOAN, VANTAGEPOINT TR
WIRE	10/18/2019	3,060.62	- 106006 LOAN, VANTAGEPOINT
WIRE	10/18/2019	250.00	NATIONWIDE RETIREMENT SOLUTION

BENEFIT/DEDUCTION AMOUNT 109,076.69

TOTAL AMOUNT 242,600.74

Preparer Certification:

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation against the above-named governmental unit, and that I am authorized to authenticate and certify to said claim.

Signed: (Signature on file.)
Steve Sugg, City Manager

Date

**Business of the City Council
City of University Place, WA**

Proposed Council Action:

Adopt a resolution approving an Interlocal Agreement with the City of Lakewood and Pierce County for cooperative planning, design, construction and maintenance of the Chambers Creek Canyon Trail.

Agenda No: 7D
Dept. Origin: Development Services
For Agenda of: October 21, 2019
Exhibits: Resolution
Interlocal Agreement

Concurred by Mayor: _____
Approved by City Manager: _____
Approved as to Form by City Atty.: _____
Approved by Finance Director: _____
Approved by Dept. Head: _____

Expenditure Required: \$0.00	Amount Budgeted: \$0.00	Appropriation Required: \$0.00
---------------------------------	----------------------------	-----------------------------------

SUMMARY / POLICY ISSUES

The Cities of University Place and Lakewood and Pierce County are jointly working on the design and development of the proposed Chambers Creek Canyon Trail. A trail in the Chambers Creek Canyon has been a long sought-after goal of the City. Identified at the first city visioning workshop held shortly after incorporation, proposed trail alignments were depicted in the Chambers Creek Master Site Plan and the City's first Parks Recreation and Open Space Plan, both adopted in 1997.

Since then the City of University Place, in cooperation with the City of Lakewood and Pierce County, entered into a joint Interlocal Agreement for the planning, design and construction of the Chambers Creek Canyon Trail, held open houses, surveyed a trail alignment, commissioned a preliminary design report, and received two separate RCO grants for the design permitting and construction of three pedestrian bridges crossing Chambers and Peach Creeks and a boardwalk to cross sensitive areas.

The previous joint Interlocal Agreement expired on December 1, 2017. Staff from the cities and County have been working on a new Interlocal Agreement (attached) to cooperate on the final engineering, permitting and construction of the bridges and boardwalk funded in part by grants awarded by RCO.

RECOMMENDATION / MOTION

MOVE TO: Adopt a resolution approving an Interlocal Agreement with the City of Lakewood and Pierce County for cooperative planning, design, construction and maintenance of the Chambers Creek Canyon Trail.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, APPROVING AN INTERLOCAL AGREEMENT WITH CITY OF LAKEWOOD AND PIERCE COUNTY FOR COOPERATIVE PLANNING, DESIGN, CONSTRUCTION AND MAINTENANCE OF THE CHAMBERS CREEK CANYON TRAIL

WHEREAS, Chapter 39.34 RCW allows municipalities to enter into interlocal agreements with other local governments to carry out their responsibilities; and

WHEREAS, the Chambers Creek Canyon Trail ("Trail") project will be constructed on certain real property owned by Pierce County and within the cities of Lakewood and University Place; and

WHEREAS, the City of University Place and the City of Lakewood and Pierce County desire to work collaboratively on this project, as evidenced by the prior (now expired) interlocal agreement for this purpose, and there is a need for a new interlocal agreement to memorialize this relationship;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, AS FOLLOWS:

Section 1. Approval of form of Interlocal Agreement. The City Council hereby approves execution of the Interlocal Agreement between the City of University Place, the City of Lakewood, and Pierce County in substantially the form accompanying this Resolution.

Section 2. Completion of Transaction. The City Manager or his designee is authorized to take and execute any additional measures or documents that may be necessary to complete this transaction, which are consistent with the approved form of documents attached, and the terms of this Resolution.

Section 3. Effective Date. This Resolution shall be effective immediately upon adoption by the City Council.

ADOPTED BY THE CITY COUNCIL ON OCTOBER 21, 2019.

Kent Keel, Mayor

ATTEST:

Emelita Genetia, City Clerk

APPROVED AS TO FORM:

Matthew S. Kaser, City Attorney

**INTERLOCAL AGREEMENT FOR COOPERATIVE PLANNING,
DESIGN, CONSTRUCTION AND MAINTENANCE OF
THE CHAMBERS CREEK CANYON TRAIL**

THIS INTERLOCAL AGREEMENT (hereinafter referred to as this "AGREEMENT") is made and entered into this ____ day of, 2019, by and between the City of University Place, (hereinafter also referred to as "UP"), City of Lakewood (hereinafter also referred to as "LAKEWOOD"), and Pierce County Parks and Recreation (hereinafter also referred to as "PARKS"); collectively referred to in this AGREEMENT as the "PARTIES" and singularly referred to as a "PARTY."

RECITALS

- I. The Chambers Creek Canyon Trail (hereinafter referred to as "TRAIL") project will be constructed on certain real property owned by the County and the cities of Lakewood and UP. The north side of the canyon lies in UP and the south side of the canyon lies in Lakewood. The dividing line between the two cities is the center line of Chambers Creek. See Appendix A for tax parcel ownership, county and city right of ways and proposed trailhead locations.
- II. In 1997, following an extensive public process, Pierce County adopted the Chambers Creek Properties Master Site Plan which included a proposed trail extending from an existing trailhead on Chambers Creek Road at the west end of the trail up the canyon on both the north and south sides.
- III. In June of 1997 UP adopted its first Parks, Recreation and Open Space Plan (UP PROS Plan) citing the Chambers Creek Properties Master Site Plan and describing the TRAIL in detail. The TRAIL is identified in the 2007 and 2014 UP PROS Plan updates.
- IV. On June 19, 2000, the PARKS, UP and LAKEWOOD entered into a Joint Procedural Agreement (JPA) to facilitate and develop the Chambers Creek Properties, including the TRAIL.
- V. In 2004, with the help of the Washington State Recreation and Conservation Office (RCO) and Pierce County Conservation Futures Program, UP purchased the Kobayashi property, which is the location of the eastern end of the TRAIL.
- VI. On August 6, 2012 the UP City Council adopted Resolution 696, Council Goals for 2013 – 2014 identifying the development of an implementation plan for the development of the Leach Creek/Chambers Creek Trail and commence construction of the Phase 1 Leach Creek/Chambers Creek Trail as funding allows.
- VII. On January 29, 2013, PARKS, UP and LAKEWOOD jointly held a TRAIL open house attended by 80 people from surrounding communities where there was broad support for development of the TRAIL.

- VIII. On November 26, 2013, the PARTIES completed the Draft Chambers Creek Canyon Trail Plan and agreed to enter into an interlocal agreement for the planning and design of the TRAIL.
- IX. In February 2014, PARKS adopted the Pierce County 2014 Parks, Recreation, and Open Space Plan (County PROS Plan) in which the lower portion of the TRAIL is identified as a Sub-Regional Trail and the upper portion as a Connector Trail. The County PROS Plan indicates trail development is a high priority and includes capital improvements for the TRAIL.
- X. On March 3, 2014, LAKEWOOD adopted the LAKEWOOD Legacy Plan which identified the TRAIL as an important regional asset, which if completed, contributed to LAKEWOODS plan mission and level of service standards. Trail expansion and trailhead improvements were proposed in the plan and included in capital improvement plans.
- XI. In February 2015, the PARTIES entered an Interlocal Agreement for Cooperative Planning, Design, and Construction of the TRAIL.
- XII. In January 2017, the PARTIES submitted a joint grant application to the RCO Recreational Trails Program (RTP) to fund construction of a pedestrian bridge over Chambers Creek west of Kobayashi Park.
- XIII. In February 2017, the PARTIES jointly funded a Preliminary Design Report for the TRAIL that determined a final trail alignment and provided cost estimates for the TRAIL.
- XIV. The original joint use agreement expired in 2017. It is in the public interest that the PARTIES continue to work collaboratively on the TRAIL between the Chambers Creek Road Trailhead and the Chambers Creek Road West Trailhead, including trail connections to street ends on both sides of the canyon, boardwalks crossing sensitive areas in the canyon, and two pedestrian bridge crossings between the north and south sides of the canyon.
- XV. This AGREEMENT is entered into pursuant to RCW 39.34 (Interlocal Cooperation Act). The PARTIES represent that under state law, including but not limited to RCW 35.75, RCW 36.34.340, RCW 36.89.030, and RCW 67.20.010, they each have authority to perform the services, activities, and undertakings contemplated herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the PARTIES agree as follows:

TERMS AND CONDITIONS

- I. **INCORPORATION OF RECITALS.** Each of the recitals set forth above is incorporated into this AGREEMENT as though fully set forth herein.

- II. **PURPOSE.** The Purpose of this AGREEMENT is to establish a framework for the PARTIES to cooperate and to jointly commit to the planning, design, permitting, construction and long-term maintenance of the TRAIL.
The TRAIL is defined as improved pedestrian pathways consisting of unpaved (soft) or boardwalk surfaces. This definition may include formal access points as agreed upon by the PARTIES but does not apply to informal routes connecting to the TRAIL that were constructed by private entities without approval.

- III. **PARTIES' ROLES.**
 - A. The PARTIES jointly agree to:
 - 1. Provide funding for the permitting, design, construction and long-term maintenance of the TRAIL.
 - 2. Sponsor and assist with the grant application process.
 - 3. Participate in fundraising, seeking donations, local matching funds and in-kind services for TRAIL projects in consultation with the other PARTIES.
 - 4. Provide right-of-access to all real property defined in Appendix A.
 - 5. Design and construct proposed trailheads on their properties (as defined in Appendix A) within ten years of trail construction.
 - 6. Maintain proposed trail and trailheads on their properties for the term of this agreement.

 - B. UP. In accordance with the JPA, UP will:
 - 1. Act as the lead agency for the planning, full design and permitting work of the TRAIL, in consultation with the Designated Representatives identified in Section V.
 - 2. Complete the full design and secure all necessary permits prior to construction timeline, as agreed on by PARTIES.

 - C. LAKEWOOD. LAKEWOOD will:
 - 1. Cooperate and participate in the planning, design and permitting work for the TRAIL.

 - D. PARKS. PARKS will:
 - 1. Cooperate and participate in the planning, design, and permitting work for the TRAIL.
 - 2. Act as the lead agency for construction of the TRAIL.

IV. TERM. The term of this AGREEMENT shall be ten (10) years, commencing upon execution of this agreement, unless sooner terminated as provided in Section XI or extended by amendment as provided in section XVI.

V. DESIGNATED REPRESENTATIVES

A. UP:

Gary Cooper, Director
Parks and Public Works
City of University Place
4951 Grandview Drive West
University Place, WA 98467
Phone: 253.460.6494

B. LAKEWOOD:

Mary Dodsworth, Director
Parks, Recreation and Community Services
City of Lakewood
6000 Main Street S.W.
Lakewood, WA 98499-5027
Phone: 253-859-2489

C. PARKS:

Kimberly Freeman, Superintendent
Pierce County Parks and Recreation Service, Resource Stewardship
9112 Lakewood Blvd.
Lakewood, WA 98499-3998
Phone: 253-798-4009

VI. RELATIONSHIPS AMONG THE PARTIES.

A. Funding of Trail Design or Development. The PARTIES will jointly contribute funds toward the final design, permitting, construction and maintenance of the TRAIL. Nothing in this AGREEMENT obligates any PARTY to fund any aspect of the project contemplated herein beyond those funds appropriated by their respective legislatures or other governing bodies in each fiscal year.

B. Manner of Collecting, Holding, and Accounting for Money. UP will act as the lead agency for each funded project for the design and permitting, of the TRAIL. COUNTY will act as lead for each funded project for the construction and maintenance of the TRAIL. The lead agency will provide budget and accounting documentation to the PARTIES. Budget and accounting documentation will be consistent with generally accepted accounting principles as well as any additional guidance provided by the Parties through the Designated Representatives.

C. PARTIES' Options Not Limited. Nothing in this AGREEMENT shall limit the PARTIES' legal rights or remedies, or their broader freedom to creatively resolve the contingencies addressed in this section or other contingencies not contemplated

in this AGREEMENT; PROVIDED, that the PARTIES shall attempt to work cooperatively in good faith through the Designated Representatives as set forth above; and provided further, that in the event of a dispute they shall first utilize the dispute resolution process set forth in Section XIV below.

VII. RIGHT OF ENTRY

- A. PARTIES hereby grant to one another an irrevocable Right of Entry. This Right of Entry gives all PARTIES' employees, agents, contractors and consultants an irrevocable right to enter and use their respective properties as described in Appendix A for the purpose of planning, design, permitting, construction and maintenance of the TRAIL as necessary.
- B. Care of Properties: These Rights of Entry shall commence on the date of this AGREEMENT and shall expire ten (10) years from date of execution unless earlier terminated or extended by the PARTIES. Prior to its expiration, all PARTIES will return the properties to a condition reasonably comparable to the condition of the properties prior to the effective date of this AGREEMENT, except for trail improvements made in accordance with this agreement and except to the extent that changes to the condition of the properties did not occur as a result of an act of any PARTY, its employees, agents, contractors, or consultants. Gates will be secured, and fences, if temporarily removed, shall be replaced. All excavations shall be filled and leveled. There shall be no cutting or removal of paved surfaces without prior notice and written approval by the appropriate PARTIES.
- C. Access: Access will typically be by foot, light duty truck or car along common access ways or trails. No vehicles larger than a light duty pick-up truck shall be permitted on the properties except as needed for emergency vehicles. All PARTIES understand the properties include an active trail used by the general public and the rights herein granted shall at all times be exercised in a manner that does not unreasonably interfere with the use of the properties by the PARTIES.

VIII. DESIGN PHASE

- A. Planning. As the lead agency for planning, design, and permitting, UP will incorporate the Preliminary Design Report (2017) specifications as agreed upon by the PARTIES. Significant modifications from the Preliminary Design Report will be communicated to the PARTIES.
- B. Permitting. As the lead agency for planning, design and permitting, UP will obtain all necessary Federal, State and Local permits.
- C. Communications.
 - a. UP will facilitate regular, factual and productive communication to ensure all PARTIES have an opportunity to participate in planning, design and permitting decision-making.
 - b. All parties shall assist the Grant Holder, PARKS, in communicating necessary information with the RCO.

- D. Timeliness. UP will ensure that all design deadlines are met and all permitting is completed in a timely manner, with a deadline prior to the construction timeline, as agreed on by the PARTIES for full design and permitting.

IX. CONSTRUCTION PHASE

- A. General Obligation Regarding Construction. PARKS will complete all TRAIL construction and installation, working closely with UP and LAKEWOOD to make sure construction meets community needs as well as applicable state and local laws. PARKS, its agents, and contractors, will perform all work on the TRAIL in accordance with construction plans and specifications approved by all parties. PARKS will assume responsibility for or control over the working conditions and safety practices of employees, contractors, or subcontractors hired to perform any work on the TRAIL or its amenities.
- B. Trailhead Construction. The PARTIES are responsible for designing and constructing proposed trailheads as defined in Appendix B. The PARTIES agree to use the County PROS Plan, Appendix I: Trail Design Guidelines, “Trailheads” (page I-7) as guidance for their designs to ensure continuity throughout the TRAIL system.
- C. Minimum Plan Requirements. During construction planning, PARKS will address the management of construction impacts on site, including but not limited to stockpiling of materials, equipment storage, and erosion and sediment control.
- D. Public Notice. PARKS will install safety barriers, signage regarding temporary detours and/or closures and any other appropriate device or infrastructure necessary to ensure public safety during construction. PARKS will leave such measures in place until after UP and LAKEWOOD have had the opportunity to inspect the TRAIL and/or TRAIL amenities upon completion and all parties determine the construction conforms to the construction plans. The PARTIES will work together to inform the public about plans to develop or open new TRAIL sections. The PARTIES will provide each other the opportunity to review and comment on all public notices regarding trail development, closures or openings.
- E. Communication. PARKS will facilitate regular, factual and productive communication to ensure all PARTIES have an opportunity to participate in decision-making. PARKS will give UP and LAKEWOOD reasonable prior notice of all pre-construction and construction meetings and of the commencement of construction, so that UP and LAKEWOOD may attend these meetings and inspect the TRAIL and/or TRAIL amenities during construction.

X. POST CONSTRUCTION PHASE

- A. PARKS will complete all work within the project area in a neat and efficient manner. PARKS will remove all construction-related debris and restore decommissioned or volunteer trails with native plants. PARKS agrees to provide

final plans of TRAIL improvements and/or amenities to UP and LAKEWOOD as soon as possible after completion of TRAIL work.

B. Insurance:

- a. During the time of construction of the improvements, the PARTIES shall require their contractors, subcontractors, and other agents to carry appropriate and customary insurance coverages and amounts. In addition, the PARTIES shall maintain reasonable and customary liability insurance for bodily injury, personal injury, death, contractual liability and property damage arising out of, or having to do with the PARTIES' and the general public's use, occupancy, and possession of, or acts or omission on or about the TRAIL, and shall provide each other with satisfactory evidence of such insurance on an annual basis. Such insurance shall name the other Parties as an additional insured with respect to all coverages, with the exception of Worker's Compensation Insurance.
- b. If a Party is a municipal corporation or a subdivision or an agency of the State of Washington and is self-insured for any of the above insurance requirements, a certification of self-insurance shall be attached hereto and be incorporated by reference and shall constitute compliance with this section.
- c. PARKS will ensure that all new infrastructure on PARKS property (See Attachment A) is protected by PARKS' insurance. The PARTIES agree to jointly fund expenses related to infrastructure damage not covered by PARKS' insurance.

XI. LONG-TERM MAINTENANCE PHASE

- A. The PARTIES shall develop, adopt and commit to a long-term maintenance plan that will ensure the trail conditions remain at or near their original construction conditions or intended standards.
- B. PARKS will act as lead agency to implement the long-term maintenance plan
- C. The PARTIES shall jointly and equally provide funding or services to adequately meet the intended standards of the adopted long-term maintenance plan based on expected annual costs.
- D. Parks shall not modify the long-term maintenance plan without communicating with UP and LAKEWOOD.
- E. The PARTIES will maintain trailheads on their properties, as identified in Appendix A, to the intended standards and at their own expense.

XII. HOLD HARMLESS AND INDEMNITY AGREEMENT

Each PARTY (the Indemnitor) agrees to defend, indemnify and save harmless each other (the Indemnitees), their board or council members, officers, agents and employees, from and against all loss or expense including, but not limited to, judgments, settlements, attorney's fees and costs by reason of any and all claims for damages, penalties or other relief based upon the Indemnitor's alleged negligence, or

wrongful conduct, except for the injuries, penalties and damages caused by the sole negligence or wrongful conduct of the Indemnitor. Such claims for damages or other relief include, but are not limited to, those for personal or bodily injury including death from such injury, property damage, torts, defamation, penalties imposed by any agency of the state or federal government for failure to comply with applicable law in the performance of this AGREEMENT. If the claim, suit or action involves concurrent negligence of the Parties, the indemnity provisions provided herein shall be applicable only to the extent of the percentage of each PARTY's negligence. It is further and expressly understood that the indemnification provided herein constitutes each PARTY's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the Parties. The provisions of this section shall survive the expiration or termination of this AGREEMENT.

XIII. **TERMINATION.** This AGREEMENT is subject to termination based upon the following:

- A. Necessity. In the event that any of the PARTIES determines that termination of this AGREEMENT is necessary due to lack of funding or any other reason that justifies termination, one of the PARTIES shall give the other PARTIES thirty (30) days' written notice of termination of this AGREEMENT. Upon termination of the AGREEMENT, all PARTIES shall be released from any future funding or other obligations related to this AGREEMENT.
- B. Default. By reason of a breach of this AGREEMENT by a PARTY, the other Parties may terminate this AGREEMENT; provided that written notice specifying the breach, and thirty (30) days to cure the breach is given, and thereafter, in the absence of a substantial cure, the dispute resolution procedures set forth in Section XIV below are followed. The notice and dispute resolution requirements do not apply where protection of the public's health, welfare, or safety requires immediate termination.
- C. Lack of Appropriation. Any PARTY's obligation under this AGREEMENT that may extend beyond the current appropriation year is expressly conditioned upon that PARTY's legislative appropriation of sufficient funds to support the activities described in this AGREEMENT. If the PARTY's legislative body does not appropriate sufficient funds for those purposes, then that PARTY's participation under this AGREEMENT shall terminate automatically at the end of the current appropriation year for which funds were appropriated. The PARTIES shall notify each other in writing for any such non-allocation of funds as soon as practicable under the circumstances.
- D. Public Convenience. Any PARTY may withdraw from the AGREEMENT for public convenience upon thirty (30) calendar days' written notice, provided that to the extent each PARTY has obligated itself to provide funding for the TRAIL and maintenance fund, that funding obligation shall survive the termination of the

AGREEMENT until the end of the withdrawing PARTY's current appropriation year, after which the withdrawing PARTY shall have no further funding obligation to the TRAIL or maintenance fund.

- E. Account Close-Out If Project Abandoned. If, for any reason, the TRAIL project is abandoned or otherwise terminated before the TRAIL design, permitting, or construction is completed, then the lead agency (UP) will settle up all remaining obligations, close out the project account, liquidate or return personal property consistent with applicable surplus requirements, provide a final account summary to the other PARTIES, and return any unspent funds on a prorated basis that reflects each PARTY's relative contribution to the project.
- XIV. NO SEPARATE ENTITY CREATED. This AGREEMENT does not create any separate legal or administrative entity. This AGREEMENT shall be administered by the Public Works, Parks & Facilities Director for the City of University Place, the Parks, Recreation and Community Services Director for the City of Lakewood, and the Director of Parks and Recreation for Pierce County. The PARTIES shall not financially obligate one another by seeking joint debt financing or by attempting to acquire or hold joint assets. Doing so will result in termination of this AGREEMENT as described herein.
- XV. DISPUTE RESOLUTION. Unless otherwise specified, disputes regarding any matter contained herein shall be referred to the City Managers or their designees for the Cities of University Place and Lakewood and to the Pierce County Executive or designee for Pierce County for mediation and/or settlement. Any controversy or claim arising out of, or relative to this AGREEMENT or the alleged breach thereof that cannot be resolved by the Lakewood and University Place City Managers and the Pierce County Executive or their designees may be submitted to a mediator to resolve disputes should the PARTIES agree to utilize the services of a mediator. The cost of mediating a dispute shall be borne equally by the PARTIES.
- XVI. NOTICE. Any written notice, which is required or permitted regarding this AGREEMENT, shall be given by U.S. first-class mail or by personal delivery to the designated representative of the PARTY which is the intended recipient of the notice at its address as set forth in Section V – Designated Representatives.
- XVII. ENTIRE AGREEMENT. This AGREEMENT contains the PARTIES' entire understanding with respect to the subject matter hereof. There are no other agreements, oral or written, except as expressly set forth herein.
- XVIII. AMENDMENTS IN WRITING. Any amendment or modification of this AGREEMENT must be in writing and executed by the PARTIES agreeing thereto.
- XIX. NO CONTINUING WAIVER OF DEFAULT. The waiver of any default under any provision of this AGREEMENT must be in writing to be valid and shall not constitute a waiver of any other default, whether of the same or of any other provision.

- XX. LEGISLATIVE APPROVAL. The Interlocal Cooperation Act, RCW 39.34 requires that this AGREEMENT be approved by the PARTIES' legislative bodies prior to execution. The PARTIES hereby affirm their intent to use their best efforts to seek timely approval of the AGREEMENT by their respective legislative bodies.
- XXI. APPLICABLE LAW. This AGREEMENT shall be construed under the laws of the State of Washington.
- XXII. VENUE. Venue for any lawsuit arising out of this AGREEMENT or for any action to enforce any term of this AGREEMENT shall be Pierce County, Washington.
- XXIII. EXECUTION IN COUNTERPARTS. This AGREEMENT may be executed in counterparts, each of which shall be deemed an original.
- XXIV. ASSIGNABILITY; TERMS AND CONDITIONS BINDING ON SUCCESSORS AND ASSIGNS. Any or all of the rights and obligations of a PARTY to this AGREEMENT may be assigned and delegated to other persons, firms, or corporations only with the express written consent of the other PARTIES. This AGREEMENT shall be binding on such approved assignees and delegates.
- XXV. NO THIRD-PARTY BENEFICIARIES. Nothing in this AGREEMENT shall create or be construed to create any rights, duties, obligations, or cause of action in any person not a party to it.
- XXVI. NO RESTRICTION ON POLICE POWERS. Nothing in this AGREEMENT shall diminish any of the PARTIES' governmental or police powers.
- XXVII. SEVERABILITY. If any provision of this AGREEMENT is deemed unlawful or unenforceable, such provision shall be fully severable, and the remainder of this AGREEMENT shall be in full force and effect with the automatic addition of a provision as similar in its terms to such illegal or unenforceable provision as may be possible to make such provision legal and enforceable.

EXECUTED THIS _____ DAY OF _____, 2019.

City of University Place

City of Lakewood

By: _____

By: _____

TITLE: _____

TITLE: _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

University Place City Attorney

Lakewood City Attorney

Pierce County

By: _____

TITLE: _____

APPROVED AS TO FORM:

Deputy Prosecuting Attorney

APPENDIX A

- A. The following tax parcels and their abutting county road right-of-ways are owned by PARKS: 0220224001, 0220271001, 0220271008, 0220271011, 0220271013, 0220271045, 0220271064, 0220272012, 0220272030, 0220275015, 0220275016, 0220275017, 0220281037, 0220281040, 0220281041, 0220282015, 0220282016, 0220283013, 0220285023, 0220291009, 0220294019, 0220294020, 0220294023, 0220294024, 9085900590, 0220282009, 0220272029, 0220282019, 0220291020, 6430493940. The following trailheads are owned by PARKS: 91st Ct. SW, and Chambers Creek Rd W.
- B. The following tax parcels and their abutting city road right-of-ways are owned by UP: 0220271072, 0220271069, 0220281034, 4002910220, 4002640190. The following trailheads are owned by UP: Chambers Creek Rd. East, Kobayashi and 86th Ave W.
- C. The following city road right-of-ways and trailheads are owned by LAKEWOOD: Phillips Rd., and Zircon Dr. SW.

COUNCIL CONSIDERATION

**Business of the City Council
City of University Place, WA**

Proposed Council Action:

Approve an Ordinance authorizing the issuance of two series of Limited Tax General Obligation and Refunding Bonds in the aggregate principal amount not to exceed \$21,500,000 to finance and Refinance costs related to public improvements and other City facilities and to pay costs of issuing the bonds; providing the form, terms and covenants of the bonds; delegating authority to approve the final terms of the bonds; and providing for other matters related thereto.

Agenda No: 8
Dept. Origin: Finance
For Agenda of: October 21, 2019
Exhibits: Ordinance

Concurred by Mayor: _____
Approved by City Manager: _____
Approved as to Form by City Atty.: _____
Approved by Finance Director: _____
Approved by Department Head: _____

Expenditure Required: \$0.00	Amount Budgeted: \$0.00	Appropriation Required: \$0.00
---------------------------------	----------------------------	-----------------------------------

SUMMARY / POLICY ISSUES

In 2011 the University Place Town Center Authority issued its Local Option Sales and Use Tax Revenue Bonds, Series 2011 for the purpose of funding infrastructure improvements in the Town Center Zone. In 2012 the City issued its Limited Tax General Obligation Refunding Bonds, 2012A and its Limited Tax General Obligation Refunding Bonds, 2012B (Taxable) for both refunding and new money capital purposes (including portions of the Town Center, road projects, and Civic Building).

We have determined that it is in the best interest of the City to issue limited tax general obligation bonds (the "2019A Bonds") to finance the costs of the Improvements and to pay the costs of issuance of such bonds, and to issue taxable limited tax general obligation refunding bonds (the "2019B Bonds" and together with the 2019A Bonds, the "Bonds") to defease and redeem all or a portion of the Authority Bond Refunding Candidates and the 2012 Refunding Candidates (together, the "Refunding Candidates") at a savings to the City and its taxpayers and to pay costs of issuance of such bonds

The underwriter estimates that the estimated total refunding savings over the remaining life thru 2037 is currently about \$650,000, equivalent to \$500K in net present value savings of all costs for the 2011 issue, and \$1.9 million, equivalent to \$1.5 million in net present value saving for the 2012 A&B issues. The final maturity for the Bonds will remain in 2037, with the refunding currently structured to provide level annual debt service savings for each refunded bond.

This Ordinance delegates to certain City staff the ability to finalize the refunding terms, subject to parameters in Section 12 of this Ordinance – the two most important of which is meeting (1) a true interest cost that does not exceed 5.00%, and (2) the authorized par amount can be no more than \$21.5 million.

The current timeline is to receive the S&P bond rating on November 8, price the Bonds on November 20 (interest rates and savings locked-in) and close the issue on December 4. However, the actual timeline may be adjusted based on workload or market conditions.

ALTERNATIVES CONSIDERED

None.

BOARD OR COMMITTEE RECOMMENDATION

At the October 7th Finance Committee meeting the City Council was briefed on the refunding of these bonds.

RECOMMENDATION / MOTION

MOVE TO: Approve an Ordinance authorizing the issuance of two series of Limited Tax General Obligation and Refunding Bonds in the aggregate principal amount not to exceed \$21,500,000 to finance and Refinance costs related to public improvements and other City facilities and to pay costs of issuing the bonds; providing the form, terms and covenants of the bonds; delegating authority to approve the final terms of the bonds; and providing for other matters related thereto.

CITY OF UNIVERSITY PLACE, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BONDS, 2019A
LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2019B (TAXABLE)

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, AUTHORIZING THE ISSUANCE OF TWO SERIES OF LIMITED TAX GENERAL OBLIGATION AND REFUNDING BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$21,500,000 TO FINANCE AND REFINANCE COSTS RELATED TO PUBLIC IMPROVEMENTS AND OTHER CITY FACILITIES AND TO PAY COSTS OF ISSUING THE BONDS; PROVIDING THE FORM, TERMS AND COVENANTS OF THE BONDS; DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

PASSED OCTOBER 21, 2019

PREPARED BY:

PACIFICA LAW GROUP LLP
Seattle, Washington

CITY OF UNIVERSITY PLACE, WASHINGTON

ORDINANCE NO. _____

TABLE OF CONTENTS*

	<u>Page</u>
Section 1. Definitions.....	2
Section 2. Authorization of the Improvements.....	6
Section 3. Authorization and Description of Bonds.....	6
Section 4. Registration, Exchange and Payments.....	7
Section 5. Redemption Prior to Maturity and Purchase of Bonds	9
Section 6. Form of Bonds	11
Section 7. Execution of Bonds	11
Section 8. Application of Bond Proceeds; Project Fund; Plan of Refunding.....	11
Section 9. Tax Covenants.....	13
Section 10. Debt Service Fund and Provision for Tax Levy Payments.....	14
Section 11. Defeasance	15
Section 12. Sale of Bonds.....	15
Section 13. Preliminary and Final Official Statements.....	16
Section 14. Undertaking to Provide Ongoing Disclosure	16
Section 15. Lost, Stolen or Destroyed Bonds	16
Section 16. Severability; Ratification	16
Section 17. Corrections by City Clerk	17
Section 18. Effective Date.....	17
Exhibit A: Form of Bond	

* This Table of Contents is provided for convenience only and is not a part of this ordinance.

CITY OF UNIVERSITY PLACE, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, AUTHORIZING THE ISSUANCE OF TWO SERIES OF LIMITED TAX GENERAL OBLIGATION AND REFUNDING BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$21,500,000 TO FINANCE AND REFINANCE COSTS RELATED TO PUBLIC IMPROVEMENTS AND OTHER CITY FACILITIES AND TO PAY COSTS OF ISSUING THE BONDS; PROVIDING THE FORM, TERMS AND COVENANTS OF THE BONDS; DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

WHEREAS, pursuant to chapter 39.104 of the Revised Code of Washington ("RCW"), the City of University Place, Washington (the "City") is authorized to undertake a "local revitalization financing" by using revenues received from a local option sales and use tax imposed pursuant to RCW 82.14.510 to pay the principal of and interest on bonds issued to finance "public improvements" within a "local revitalization area," all within the meaning of chapter 39.104 RCW; and

WHEREAS, pursuant to Ordinance No. 577, adopted by the City Council on August 24, 2009, the City designated an area located within the City and encompassing a mix-use town center, consisting of a civic building containing a library, City administrative and law enforcement offices, a Town Hall meeting room and retail shops, a public transit and public parking facility, a parking garage, related infrastructure and other public improvements, as a "local revitalization area" within the meaning of chapter 39.104 RCW, (the "Revitalization Area"); and

WHEREAS, the City designated certain components of the Revitalization Area meeting the requirements of RCW 39.104.020 as "public improvements" (the "Town Center Project"); and

WHEREAS, pursuant to Ordinance No. 593 adopted by the City Council on June 20, 2011, and RCW 82.14.505 and 82.14.510, the City levied and imposed a local option sales and use tax (the "Local Option Sales and Use Taxes") to generate revenues in the aggregate annual amount of approximately \$500,000 (the "Local Option Sales and Use Tax Revenues") to finance public improvements within the Revitalization Area, including the Town Center Project; and

WHEREAS, pursuant to Ordinance No. 592 adopted by the City Council on June 20, 2011, and RCW 35.21.730 through .757, the City chartered the City of University Place Town Center Project Authority (the "Authority") a Washington public development authority, to undertake on behalf of the City the financing of the completion of certain components of the Town Center Project; and

WHEREAS, under chapter 39.34 RCW, the City and the Authority entered into an Interlocal Agreement dated as of June 1, 2011 (the "Interlocal Agreement"), under which the Authority agreed to undertake on behalf of the City the financing of components of the Town Center Project constituting public improvements within the Revitalization Area by issuing one or more series of revenue bonds and the City agreed to contribute the Local Option Sales and Use Tax Revenues to the Authority to pay when due the principal of and interest on such bonds; and

WHEREAS, to secure the payment of the principal of and interest on bonds issued by the Authority and certain related obligations, the Authority and the City entered into a Payment Agreement dated as of June 1, 2011 (the "Payment Agreement"); and

WHEREAS, on June 30, 2011 the Authority issued its Local Option Sales and Use Tax Revenue Bonds, Series 2011 in the original aggregate principal amount of \$5,885,000 (the "Authority Bonds") pursuant to a Bond Resolution adopted by the Board of Directors of the Authority on June 20, 2011 (the "Authority Bond Resolution"), a Master Trust Agreement by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee") dated as of June 1, 2011 (the "Master Trust Agreement") and a First Supplemental Trust Agreement by and between the Authority and the Trustee dated as of June 1, 2011 (the "First Supplement," and together with the Master Trust Agreement, the "Trust Agreement"); and

WHEREAS, the Trust Agreement provides that the Authority Bonds (the "Authority Bond Refunding Candidates") may be called for redemption in whole or in part, on any date on or after October 1, 2021, at a price of par plus accrued interest, if any, to the date of redemption; and

WHEREAS, after due consideration the Council has determined that additional improvements (the "Improvements") are necessary within the Revitalization Area; and

WHEREAS, pursuant to Ordinance No. 613 adopted by the City Council on October 15, 2012 (the "2012 Bond Ordinance"), the City issued its Limited Tax General Obligation Refunding Bonds, 2012A (the "2012A Bonds") and its Limited Tax General Obligation Refunding Bonds, 2012B (Taxable) (the "2012B Bonds") in the original aggregate principal amounts of \$6,250,000 and \$7,880,000, respectively; and

WHEREAS, the 2012 Bond Ordinance provides that the 2012A Bonds and 2012B Bonds maturing on December 1, 2023 and thereafter (the "2012 Refunding Candidates"), may be called for redemption prior to maturity in whole or in part, on December 1, 2022 or any day thereafter, at a price of par plus accrued interest, if any, to the date of redemption; and

WHEREAS, the City has determined that it is in the best interest of the City to issue limited tax general obligation bonds (the "2019A Bonds") to finance the costs of the Improvements and to pay the costs of issuance of such bonds, and to issue taxable limited tax general obligation refunding bonds (the "2019B Bonds" and together with the 2019A Bonds, the "Bonds") to defease and redeem all or a portion of the Authority Bond Refunding Candidates and the 2012 Refunding Candidates (together, the "Refunding Candidates") at a savings to the City and its taxpayers and to pay costs of issuance of such bonds; and

WHEREAS, this Council wishes to delegate authority to the City Manager, the Executive Director Administrative Services/Assistant City Manager, and Finance Director (as further described herein, each a "Designated Representative"), for a limited time, to approve the interest rates, maturity dates, redemption terms and other terms of the Bonds within the parameters set by this ordinance; and

WHEREAS, the City expects to receive a proposal from D.A. Davidson & Co. (the "Underwriter") to underwrite the Bonds, and now desires to authorize the acceptance of such proposal, and the issuance and sale of the Bonds to the Underwriter, all as set forth herein;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, HEREBY DOES ORDAIN AS FOLLOWS:

Section 1. Definitions. As used in this ordinance, the following words and terms shall have the following meanings, unless the context or use indicates another or different meaning or intent. Unless the context indicates otherwise, words importing the singular number shall include the plural number and vice versa.

Acquired Obligations means the Government Obligations acquired under the terms of this ordinance and the Escrow Agreement to effect the defeasance and refunding of the Refunded Bonds, but only to the extent that the same are acquired at Fair Market Value.

Authority means the City of University Place Town Center Project Authority, a Washington public development authority, chartered by the City pursuant to Ordinance No. 592 adopted by the City Council on June 20, 2011 and RCW 35.21.730 through .757, to undertake on behalf of the City the financing of the completion of certain components of the Town Center Project.

Authority Bond Authorizing Documents mean the Bond Resolution adopted by the Board of Directors of the Authority on June 20, 2011, a Master Trust Agreement by and between the Authority and the Trustee, dated as of June 1, 2011 and a First Supplemental Trust Agreement by and between the Authority and the Trustee, dated as of June 1, 2011.

Authority Bond Refunding Candidates means the outstanding Authority Bonds.

Authority Bonds mean the Authority's Local Option Sales and Use Tax Revenue Bonds, Series 2011 issued in the original aggregate principal amount of \$5,885,000 pursuant to the Authority Bond Authorizing Documents.

Authority Refunded Bonds means all or a portion of the Authority Bond Refunding Candidates as selected by a Designated Representative pursuant to the terms of this ordinance.

Beneficial Owner means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

Bond Counsel means Pacifica Law Group LLP or an attorney at law or a firm of attorneys, selected by the City, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions.

Bond Purchase Contract means the contract for the purchase of the Bonds between the Underwriter and City, executed pursuant to Section 12.

Bond Register means the registration books maintained by the Bond Registrar for purposes of identifying ownership of the Bonds or the nominee of each owner, and such other information as the Bond Registrar shall determine.

Bond Registrar means, initially, the fiscal agent of the State, for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, effecting transfer of ownership of the Bonds and paying interest on and principal of the Bonds.

Bonds mean the 2019A Bonds and the 2019B Bonds.

Call Date means the date specified in the Escrow Agreement for the refunding of each series of the Refunded Bonds.

Certificate of Authentication means the form of certificate of authentication included in the form of Bond attached hereto as Exhibit A.

City means the City of University Place, Washington, a municipal corporation duly organized and existing under the laws of the State.

City Clerk means the duly appointed and acting City Clerk of the City or the successor to the person fulfilling the duties of that office.

City Manager means the duly appointed and acting City Manager of the City or the successor to the duties of such office.

City Mayor or Mayor means the duly appointed and acting Mayor of the City or the successor to the duties of such office.

Closing means the date of issuance and delivery of a series of Bonds to the Underwriter.

Code means the Internal Revenue Code of 1986 as in effect on the date of issuance of the 2019A Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the 2019A Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

Commission means the United States Securities and Exchange Commission.

Continuing Disclosure Certificate means the written undertaking for the benefit of the owners and Beneficial Owners of the Bonds as required by Section (b)(5) of the Rule.

Council or City Council means the University Place City Council, as the general legislative body of the City, as the same is duly and regularly constituted from time to time.

Debt Service Fund means one or more funds, and accounts held therein, created pursuant to this ordinance for the purpose of paying debt service on a series of Bonds.

Designated Representative means each of the City Manager, the Executive Director Administrative Services/Assistant City Manager, and Finance Director of the City, any successors to the functions of such officers, and their designees. The signature of one Designated Representative shall be sufficient to bind the City.

DTC means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Bonds pursuant to this ordinance.

Escrow Agent means U.S. Bank National Association, Seattle, Washington.

Escrow Agreement means the Escrow Deposit Agreement among the City, the Authority and the Escrow Agent to be dated as of the date of Closing of the 2019B Bonds.

Executive Director Administrative Services/Assistant City Manager means the duly appointed and acting Executive Director Administrative Services/Assistant City Manager of the City, or the successor to the duties of such office.

Fair Market Value means the price at which a willing buyer would purchase an investment from a willing seller in a bona fide, arm's-length transaction, except for specified investments as described in Treasury Regulation §1.148-5(d)(6), including United States Treasury obligations, certificates of deposit, guaranteed investment contracts, and investments for yield-restricted defeasance escrows. Fair Market Value is generally determined on the date on which a contract to purchase or sell an investment becomes binding, and, to the extent required by the applicable regulations under the Code, the term "investment" will include a hedge.

Federal Tax Certificate means the certificate executed by a Designated Representative setting forth the requirements of the Code for maintaining the tax exemption of interest on the 2019A Bonds, and any attachments thereto.

Finance Director means the City's Finance Director/Risk Manager, or the successor to such office.

Government Obligations means those obligations now or hereafter defined as such in chapter 39.53 RCW constituting direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, as such chapter may be hereafter amended or restated.

Improvements mean the public improvements within the Revitalization Area that are eligible for financing under chapter 39.104 RCW.

Interlocal Agreement means the Interlocal Agreement between the City and the Authority dated as of June 1, 2011, as amended, relating to the Town Center Project.

Letter of Representations means the Blanket Issuer Letter of Representations given by the City to DTC, as amended from time to time.

Local Option Sales and Use Tax means the local option sales and use tax levied and imposed by the City as authorized by RCW 82.14.505 and RCW 82.14.510.

Local Option Sales and Use Tax Revenue means the Local Option Sales and Use Tax credit revenues received by the City in an aggregate annual amount of approximately \$500,000.

MSRB means the Municipal Securities Rulemaking Board or any successors to its functions.

Official Statement means the disclosure documents prepared and delivered in connection with the issuance of a series of Bonds.

Payment Agreement means the Payment Agreement between the City and the Authority dated as of June 1, 2011, as amended, relating to the Town Center Project.

Project Fund means the fund or account created pursuant to Section 8 of this ordinance.

Record Date means the close of business for the Bond Registrar on the day that is 15 days preceding any interest and/or principal payment or redemption date.

Refunded Bonds means the Authority Refunded Bonds, the 2012A Refunded Bonds and the 2012B Refunded Bonds.

Refunding Account means the account by that name established pursuant to Section 8.

Refunding Candidates mean the Authority Bond Refunding Candidates, the 2012A Refunding Candidates, and the 2012B Refunding Candidates.

Registered Owner means the person named as the registered owner of a Bond in the Bond Register. For so long as the Bonds are held in book-entry only form, DTC or its nominee shall be deemed to be the sole Registered Owner.

Revitalization Area means the area designated by the City as a "local revitalization area" within the meaning of chapter 39.104 RCW as provided for in City Ordinance No. 577.

Rule means the Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

State means the State of Washington.

Town Center means the mix-use town center located in the Revitalization Area, consisting of a civic building containing a library, City administrative and law enforcement offices, a Town Hall meeting

room and retail shops, a public transit and public parking facility, a parking garage, related infrastructure and other public improvements.

Town Center Project means the components of the Town Center within the Revitalization Area designated as “public improvements” and financed with proceeds of the Authority Bonds.

Trustee means U.S. Bank National Association, as trustee with respect to the Authority Bonds.

Underwriter means D.A. Davidson & Co., and its successors.

2012 Bond Ordinance means Ordinance No. 613 adopted by the City Council on October 15, 2012.

2012A Bonds mean the City’s Limited Tax General Obligation Refunding Bonds, 2012A issued pursuant to the 2012 Bond Ordinance.

2012A Refunded Bonds means all or a portion of the 2012A Refunding Candidates as selected by a Designated Representative pursuant to the terms of this ordinance.

2012A Refunding Candidates mean the 2012A Bonds maturing on and after December 1, 2023.

2012B Bonds mean the City’s Limited Tax General Obligation Refunding Bonds, 2012B (Taxable) issued pursuant to the 2012 Bond Ordinance.

2012B Refunded Bonds means all or a portion of the 2012B Refunding Candidates as selected by a Designated Representative pursuant to the terms of this ordinance.

2012B Refunding Candidates mean the 2012B Bonds maturing on and after December 1, 2023.

2019A Bonds mean the City’s Limited Tax General Obligation Bonds, 2019A authorized to be issued pursuant to the terms of this ordinance.

2019B Bonds mean the City’s Limited Tax General Obligation Refunding Bonds, 2019B (Taxable) authorized to be issued pursuant to the terms of this ordinance.

Section 2. Authorization of the Improvements. The Improvements, as they are to be more fully described in the plans and specifications prepared by and filed with the City, are hereby approved. The cost of all necessary appraisals, negotiation, closing, architectural, engineering, financial, legal and other consulting services, inspection and testing, demolition, administrative and relocation expenses and other costs incurred in connection with the foregoing capital improvements shall be deemed a part of the capital costs of such Improvements. Such Improvements shall be complete with all necessary equipment and appurtenances.

The City will determine the exact specifications for the Improvements, and the components thereof, as well as the timing, order and manner of completing the components of the Improvements. The City may alter, make substitutions to, and amend the Improvements as it determines are in the best interests of the City and consistent with chapter 39.104 RCW.

Section 3. Authorization and Description of Bonds.

(a) **2019A Bonds.** For the purpose of paying and/or reimbursing the City for costs of the Improvements and paying costs of issuance, the City is hereby authorized to issue and sell limited tax general obligation bonds designated as the “City of University Place, Washington, Limited Tax General

Obligation Bonds, 2019A” with additional series designation or other such designation as determined to be necessary by a Designated Representative (the “2019A Bonds”).

(b) *2019B Bonds.* For the purpose of defeasing and refunding the Refunded Bonds and paying costs of issuance, the City is hereby authorized to issue and sell limited tax general obligation refunding bonds designated as the “City of University Place, Washington, Limited Tax General Obligation Refunding Bonds, 2019B (Taxable)” with additional series designation or other such designation as determined to be necessary by a Designated Representative (the “2019B Bonds”).

(c) *Principal Amount.* The aggregate principal amount of all Bonds authorized to be issued under the terms of this ordinance shall not exceed \$21,500,000.

(d) *Bond Details.* The Bonds of each series shall be general obligations of the City, shall be dated as of the date of Closing for such series of Bonds; shall be fully registered as to both principal and interest; shall be in the denomination of \$5,000 each, or any integral multiple thereof, within a maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; shall bear interest from their date payable on the dates and at the rates and commencing as provided in the Bond Purchase Contract; and shall mature on the dates and in the principal amounts set forth in the Bond Purchase Contract, as approved and executed by a Designated Representative pursuant to Section 12 of this ordinance.

Section 4. Registration, Exchange and Payments.

(a) *Bond Registrar/Bond Register.* The City hereby specifies and adopts the system of registration approved by the Washington State Finance Committee from time to time through the appointment of State fiscal agencies. The City shall cause the Bond Register to be maintained by the Bond Registrar. So long as any Bonds remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange, registration or transfer of Bonds at its designated office. The Bond Registrar may be removed at any time at the option of the Finance Director upon prior notice to the Bond Registrar and a successor Bond Registrar appointed by the Finance Director. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been appointed and until the successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication of the Bonds.

(b) *Registered Ownership.* The City and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond of a series as the absolute owner thereof for all purposes (except as provided in a Continuing Disclosure Certificate), and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 4(g), but such Bond may be transferred as herein provided. All such payments made as described in Section 4(g) shall be valid and shall satisfy and discharge the liability of the City upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letters of Representations.* The Bonds of a series initially shall be held in fully immobilized form by DTC acting as depository. The City has executed and delivered to DTC the Letter of Representations. Neither the City nor the Bond Registrar shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal or interest on Bonds, any notice which is permitted or required to be given to Registered Owners under this ordinance (except such notices as shall be required to be given by the City to the Bond Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered

Owner. For so long as any Bonds are held by a depository, DTC or its successor depository or its nominee shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

(d) *Use of Depository.*

(1) The Bonds shall be registered initially in the name of "Cede & Co.," as nominee of DTC, with one Bond of each series maturing on each of the maturity dates for the Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Finance Director pursuant to subsection (2) below or such substitute depository's successor; or (C) to any person as provided in subsection (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Finance Director to discontinue the system of book-entry transfers through DTC or its successor (or any substitute depository or its successor), the Finance Director may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding Bonds together with a written request on behalf of the Finance Director, issue a single new Bond for each maturity of that series then outstanding, registered in the name of such successor depository or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Finance Director.

(4) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Finance Director determines that it is in the best interest of the Beneficial Owners of the Bonds that such owners be able to obtain physical bond certificates, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held by a depository. The Finance Director shall deliver a written request to the Bond Registrar, together with a supply of physical bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds of a series together with a written request on behalf of the Finance Director to the Bond Registrar, new Bonds of such series shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration of Transfer of Ownership or Exchange; Change in Denominations.* The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any such Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, series, maturity, and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and cancelled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, series, maturity, and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register the transfer of or to exchange any Bond during the 15 days preceding any principal payment or redemption date.

(f) *Bond Registrar's Ownership of Bonds.* The Bond Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Bond Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners or Beneficial Owners of Bonds.

(g) *Place and Medium of Payment.* Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months. For so long as all Bonds are held by a depository, payments of principal thereof and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Bonds are no longer held by a depository, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the Record Date, or upon the written request of a Registered Owner of more than \$1,000,000 of Bonds (received by the Bond Registrar at least by the Record Date), such payment shall be made by the Bond Registrar by wire transfer to the account within the United States designated by the Registered Owner. Principal of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the designated office of the Bond Registrar.

If any Bond is duly presented for payment and funds have not been provided by the City on the applicable payment date, then interest will continue to accrue thereafter on the unpaid principal thereof at the rate stated on the Bond until the Bond is paid.

Section 5. Redemption Prior to Maturity and Purchase of Bonds.

(a) *Mandatory Redemption of Term Bonds and Optional Redemption.* The Bonds of each series shall be subject to mandatory redemption of term bonds to the extent, if any, set forth in the Bond Purchase Contract and as approved by a Designated Representative pursuant to Section 12. The Bonds of each series shall be subject to optional redemption on the dates, at the prices and under the terms set forth in the Bond Purchase Contract approved by a Designated Representative pursuant to Section 12.

(b) *Selection of Bonds for Redemption.* For as long as the Bonds of a series are held in book-entry only form, the selection of particular Bonds within a series and maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC. If the Bonds are no longer held by a depository, the selection of such Bonds to be redeemed and the surrender and reissuance thereof, as applicable, shall be made as provided in the following provisions of this subsection (b). If the City redeems at any one time fewer than all of the Bonds of a series having the same maturity date, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot (or in such manner as determined by the Bond Registrar) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the City and the Bond Registrar shall treat each Bond as representing such number of separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Bond by \$5,000. In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of such Bond at the designated office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of like series, maturity and interest rate in any of the denominations herein authorized.

(c) *Notice of Redemption.*

(1) Official Notice. For so long as the Bonds of a series are held by a depository, notice of redemption shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar shall provide any notice of redemption to any Beneficial Owners. The notice of redemption may be conditional. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any such redemption (which redemption may be conditioned by the Bond Registrar on the receipt of sufficient funds for redemption or otherwise) shall be

given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

- (A) the redemption date,
- (B) the redemption price,
- (C) if fewer than all outstanding Bonds of such series are to be redeemed, the identification by series and maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (D) any conditions to redemption,
- (E) that unless conditional notice of redemption has been given and such conditions have either been satisfied or waived, on the redemption date the redemption price shall become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- (F) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated office of the Bond Registrar.

On or prior to any redemption date, unless any condition to such redemption has not been satisfied or waived or notice of such redemption has been rescinded or revoked, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date. The City retains the right to rescind any redemption notice and the related optional redemption of Bonds by giving notice of rescission to the affected Registered Owners at any time on or prior to the scheduled redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

(2) Effect of Notice; Bonds Due. If notice of redemption has been given and not rescinded or revoked, or if the conditions set forth in a conditional notice of redemption have been satisfied or waived, the Bonds of such series or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be canceled by the Bond Registrar and shall not be reissued.

(3) Additional Notice. In addition to the foregoing notice, further notice shall be given by the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the series and maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 20 days before the redemption date to each party entitled to receive notice pursuant to the applicable Continuing Disclosure Certificate and with such additional

information as the City shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(4) Amendment of Notice Provisions. The foregoing notice provisions of this Section 5, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

(d) Purchase of Bonds. The City reserves the right to purchase any or all of the Bonds offered to it at any time at a price deemed reasonable by the Finance Director plus accrued interest to the date of purchase.

Section 6. Form of Bonds. The Bonds shall be in substantially the form set forth in Exhibit A, which is incorporated herein by this reference, with such changes thereto as may be approved by the Designated Representative, consistent with the provisions of Section 12 hereof.

Section 7. Execution of Bonds. The Bonds shall be executed on behalf of the City by the facsimile or manual signature of the Mayor and shall be attested to by the facsimile or manual signature of the City Clerk, and shall have the seal of the City impressed or a facsimile thereof imprinted or otherwise reproduced thereon.

In the event any officer who shall have signed or whose facsimile signatures appear on any of the Bonds shall cease to be such officer of the City before said Bonds shall have been authenticated or delivered by the Bond Registrar or issued by the City, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issuance, shall be as binding upon the City as though said person had not ceased to be such officer. Any Bond may be signed and attested on behalf of the City by such persons who, at the actual date of execution of such Bond shall be the proper officer of the City, although at the original date of such Bond such persons were not such officers of the City.

Only such Bonds as shall bear thereon a Certificate of Authentication manually executed by an authorized representative of the Bond Registrar shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

Section 8. Application of Bond Proceeds; Project Fund; Plan of Refunding.

(a) Project Fund. The Finance Director is hereby authorized to create a fund or account (the "Project Fund"), and subaccounts therein as necessary, for the purposes set forth in this section. A portion of the proceeds of the 2019A Bonds, net of any Underwriter's discount and fees, shall be deposited in the Project Fund in the amounts specified in the closing memorandum prepared in connection with the issuance of the 2019A Bonds. Such proceeds shall be used to pay and/or reimburse the City for the costs of the Improvements and, unless otherwise provided by the City, to pay costs of issuance of the 2019A Bonds.

The Finance Director shall invest money in the Project Fund and the subaccounts contained therein in such obligations as may now or hereafter be permitted by law to cities of the State and which will mature prior to the date on which such money shall be needed, but only to the extent that the same are acquired, valued and disposed of at Fair Market Value. Any remaining 2019A Bond proceeds (including interest earnings thereon) may be used for other capital projects of the City approved by the City Council or shall be transferred to the Debt Service Fund for the 2019A Bonds.

(b) *Refunding Plan.* For the purpose of realizing a debt service savings, upon the issuance of the 2019B Bonds, the City shall deposit a portion of the proceeds of the 2019B Bonds to the Authority pursuant to the terms of the Authority Bond Authorizing Documents for the purpose of refunding the Refunded Authority Bonds and paying related costs of issuance. Such portion of the proceeds of the 2019B Bonds shall be deposited, on behalf of the Authority, with the Escrow Agent pursuant to the Escrow Agreement, to be used immediately upon receipt thereof to defease the Refunded Authority Bonds as authorized by the Authority Bond Authorizing Documents and to pay costs of issuance allocable to that portion of the 2019B Bonds.

For the purpose of realizing a debt service savings, the City also proposes to defease and refund the Refunded 2012A Bonds and the Refunded 2012B Bonds as set forth herein. The Refunded 2012A Bonds shall include all or a portion of the 2012A Refunding Candidates which are designated by a Designated Representative for refunding and set forth in the Escrow Agreement. A portion of the proceeds of the 2019B Bonds shall be deposited with the Escrow Agent pursuant to the Escrow Agreement to be used immediately upon receipt thereof to defease the Refunded 2012A Bonds as authorized by the 2012 Bond Ordinance and to pay costs of issuance allocable to that portion of the 2019B Bonds.

The Refunded 2012B Bonds shall include all or a portion of the 2012B Refunding Candidates, which are designated by a Designated Representative for refunding and set forth in the Escrow Agreement. A portion of the proceeds of the 2019B Bonds shall be deposited with the Escrow Agent pursuant to the Escrow Agreement to be used immediately upon receipt thereof to defease the Refunded 2012B Bonds as authorized by the 2012 Bond Ordinance and to pay costs of issuance allocable to that portion of the 2019B Bonds.

The proceeds of the 2019B Bonds deposited with the Escrow Agent shall be used to defease the Refunded Bonds and discharge the obligations thereon by the purchase of Acquired Obligations bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of:

(1) interest on the Refunded Bonds as such becomes due on and prior to the applicable Call Date; and

(2) the redemption price (100% of the principal amount) of the Refunded Bonds on the applicable Call Date.

Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to acquired obligations in connection with refunding bond issues.

(c) *Escrow Agent/Escrow Agreement.* The City hereby appoints U.S. Bank National Association, Seattle, Washington, as the Escrow Agent for the Refunded Bonds. A beginning cash balance, if any, and the Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease the Refunded Bonds. The proceeds of the 2019B Bonds remaining after acquisition of the Acquired Obligations and provision for the necessary beginning cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Acquired Obligations and costs of issuance of the Bonds and the administrative costs of the refunding.

In order to carry out the purposes of this Section 8, each Designated Representative is authorized and directed to execute and deliver to the Escrow Agent, one or more Escrow Agreements.

(d) *Call for Redemption of Refunded Bonds.* The City hereby sets aside sufficient funds out of the purchase of Acquired Obligations from proceeds of the 2019B Bonds to make the payments described above.

The City hereby directs the Authority and the Escrow Agent to call the Refunded Authority Bonds for redemption on their Call Date in accordance with the provisions of the Authority Bond Authorizing Documents authorizing the redemption and retirement of the Refunded Authority Bonds prior to their stated maturity dates.

The City further calls the Refunded 2012A Bonds and the Refunded 2012B Bonds for redemption on their applicable Call Date in accordance with the provisions of the 2012 Bond Ordinance authorizing the redemption and retirement of the 2012A Bonds and the 2012B Bonds prior to their fixed maturities.

Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the issuance of the 2019B Bonds and delivery of the Acquired Obligations to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notices of the redemption of the Refunded Bonds in accordance with the applicable provisions of the 2012 Bond Ordinance and the Authority Bond Authorizing Documents. The costs of publication of such notices shall be an expense of the City.

The Escrow Agent is hereby authorized and directed to pay to the Finance Director, or, at the direction of the Finance Director, to the paying agent for the Refunded Bonds, sums sufficient to pay, when due, the payments specified in this Section 8. All such sums shall be paid from the moneys and Acquired Obligations deposited with the Escrow Agent, and the income therefrom and proceeds thereof. All such sums so paid to or to the order of the Finance Director shall be credited to the Refunding Account (which is hereby authorized to be created) or other funds created under the Escrow Agreement. All moneys and Acquired Obligations deposited with the Escrow Agent and any income therefrom shall be held, invested (but only at the direction of the Finance Director) and applied in accordance with the provisions of this ordinance, the Escrow Agreement, and with the laws of the State for the benefit of the City and owners of the Refunded Bonds.

The City will take such actions as are found necessary to see that all necessary and proper fees, compensation and expenses of the Escrow Agent for the Refunded Bonds shall be paid when due.

Section 9. Tax Covenants. The City will take all actions necessary to assure the exclusion of interest on any 2019A Bonds from the gross income of the owners of such 2019A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of such 2019A Bonds, including but not limited to the following:

(a) *Private Activity Bond Limitation.* The City will assure that the proceeds of the 2019A Bonds are not so used as to cause the 2019A Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(b) *Limitations on Disposition of Improvements.* The City will not sell or otherwise transfer or dispose of (i) any personal property components of the Improvements other than in the ordinary course of an established government program under Treasury Regulation 1.141-2(d)(4) or (ii) any real property components of the Improvements, unless it has received an opinion of Bond Counsel to the effect that such disposition will not adversely affect the treatment of interest on the 2019A Bonds as excludable from gross income for federal income tax purposes.

(c) *Federal Guarantee Prohibition.* The City will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the 2019A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(d) *Rebate Requirement.* The City will take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the 2019A Bonds.

(e) *No Arbitrage.* The City will not take, or permit or suffer to be taken, any action with respect to the proceeds of the 2019A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the 2019A Bonds would have caused the 2019A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(f) *Registration Covenant.* The City will maintain a system for recording the ownership of each 2019A Bond that complies with the provisions of Section 149 of the Code until all 2019A Bonds have been surrendered and canceled.

(g) *Record Retention.* The City will retain its records of all accounting and monitoring it carries out with respect to the 2019A Bonds for at least three years after the 2019A Bonds mature or are redeemed (whichever is earlier); however, if the 2019A Bonds are redeemed and refunded, the City will retain its records of accounting and monitoring at least three years after the earlier of the maturity or redemption of the obligations that refunded the 2019A Bonds.

(h) *Compliance with Federal Tax Certificate.* The City will comply with the provisions of the Federal Tax Certificate with respect to a series of 2019A Bonds, which are incorporated herein as if fully set forth herein. The covenants of this Section will survive payment in full or defeasance of the 2019A Bonds.

(i) *Bank Qualification.* In the Federal Tax Certificate executed in connection with the issuance of the 2019A Bonds, the City may designate such 2019A Bonds as “qualified tax-exempt obligations” under Section 265(b)(3) of the Code for investment by financial institutions if the City does not reasonably expect to issue more than \$10,000,000 of qualified tax-exempt obligations in the calendar year in which such 2019A Bonds are issued.

Section 10. Debt Service Fund and Provision for Tax Levy Payments. The City hereby authorizes the creation of one or more funds, and accounts held therein, to be used for the payment of debt service on each series of Bonds, designated as the “Limited Tax General Obligation Bond Debt Service Fund” or other such designation selected by the City (the “Debt Service Fund”). No later than the date each payment of principal or interest on the Bonds becomes due, the City shall transmit sufficient funds, from the Debt Service Fund or from other legally available sources, to the Bond Registrar for the payment of such principal or interest. Money in the Debt Service Fund may be invested in legal investments for City funds, but only to the extent that the same are acquired, valued and disposed of at Fair Market Value. Any interest or profit from the investment of such money shall be deposited in the Debt Service Fund.

The City hereby irrevocably covenants and agrees for as long as any of the Bonds are outstanding and unpaid that each year it shall include in its budget and levy an *ad valorem* tax upon all the property within the City subject to taxation in an amount that will be sufficient, together with all other revenues and money of the City legally available for such purposes, to pay the principal of and interest on the Bonds as the same shall become due.

The City hereby irrevocably pledges that the annual tax provided for herein to be levied for the payment of such principal and interest shall be within and as a part of the property tax levy permitted to cities without a vote of the electorate, and that a sufficient portion of each annual levy to be levied and collected by the City prior to the full payment of the principal of and interest on the Bonds will be and is hereby irrevocably set aside, pledged and appropriated for the payment of the principal of and interest on the Bonds. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of the principal of and interest on the Bonds when due.

The City hereby further irrevocably pledges all Local Option Sales and Use Tax Revenues to the portion of the Bonds allocable to the financing and/or refinancing of the Improvements and the Town

Center Project within the Revitalization Area and related costs of issuance, which is expected to include all of the 2019A Bonds and the portion of the 2019B Bonds allocable to the refunding the Authority Bonds. The City further covenants to impose the Local Option Sales and Use Tax, collect the Local Option Sales and Use Tax Revenues under and in accordance with RCW 82.14.505 and RCW 82.14.510, and apply Local Option Sales and Use Tax Revenues to pay debt service on the portion of the Bonds allocable to the financing and/or refinancing of the Improvements and the Town Center Project.

Section 11. Defeasance. In the event that the City, in order to effect the payment, retirement or redemption of any Bond, sets aside in the Debt Service Fund or in another special account, cash or noncallable Government Obligations, or any combination of cash and/or noncallable Government Obligations, in amounts and maturities that, together with the known earned income therefrom, are sufficient to redeem or pay and retire such Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Debt Service Fund for the payment of the principal of and interest on such Bond. The owner of a Bond so provided for shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive payment of principal, premium, if any, and interest from the Debt Service Fund or such special account, and such Bond shall be deemed to be not outstanding under this ordinance. The City shall give written notice of defeasance of any Bonds of a series in accordance with the applicable Continuing Disclosure Certificate.

Section 12. Sale of Bonds.

(a) *Bond Sale.* The Council has determined that it would be in the best interest of the City to delegate to the Designated Representatives, for a limited time, the authority to designate all or a portion of the Refunding Candidates as Refunded Bonds and to approve the final interest rates, maturity dates, redemption terms and principal maturities for each series of Bonds.

Each Designated Representative is hereby authorized to select the Refunded Bonds and to determine the final interest rates, aggregate principal amount, principal maturities, and redemption rights for each series of Bonds in the manner provided hereafter so long as:

- (1) the aggregate principal (face) amount of all Bonds issued under the authority granted in this ordinance does not exceed \$21,500,000,
- (2) the final maturity date for the Bonds of each series is no later than December 1, 2037,
- (3) the aggregate purchase price for the Bonds of each series shall be no less than 98% of the aggregate stated principal amount of the Bonds of each series,
- (4) the true interest cost for the 2019A Bonds (in the aggregate for such series) does not exceed 5.00%,
- (5) the true interest cost for the 2019B Bonds (in the aggregate for such series) does not exceed 5.00%,
- (6) the 2019B Bonds are sold for a price that results in net present value debt service savings over the Refunded Bonds (in the aggregate) of at least 5%, and
- (7) the Bonds of each series otherwise conform to all other terms of this ordinance.

Subject to the terms and conditions set forth in this section, each Designated Representative is hereby authorized to execute the Bond Purchase Contract on behalf of the City for each series of Bonds. The signature of one Designated Representative shall be sufficient to bind the City.

Following the execution of the Bond Purchase Contract, a Designated Representative shall provide a report to the Council describing the final terms of the Bonds sold pursuant to such Bond Purchase Contract and approved pursuant to the authority delegated in this section. The authority granted to the Designated Representatives by this Section 12 shall expire one year after the effective date of this ordinance. If a Bond Purchase Contract for the Bonds has not been executed within one year after the effective date of this ordinance, the authorization for the issuance of the Bonds shall be rescinded, and the Bonds shall not be issued nor their sale approved unless such Bonds are re-authorized by ordinance of the Council. The ordinance re-authorizing the issuance and sale of such Bonds may be in the form of a new ordinance repealing this ordinance in whole or in part or may be in the form of an amendatory ordinance approving a Bond Purchase Contract or establishing terms and conditions for the authority delegated under this Section 12.

(b) *Delivery of Bonds; Documentation.* Upon the passage and approval of this ordinance and execution of the Bond Purchase Contract, the proper officials of the City, including the Designated Representatives and the City Clerk, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Bonds of a series to the Underwriter and further to execute all closing certificates and documents required to effect the closing and delivery of the Bonds of a series in accordance with the terms of the Bond Purchase Contract. Such documents may include, but are not limited to, documents related to a municipal bond insurance policy delivered by an insurer to insure the payment when due of the principal of and interest on all or a portion of a series of Bonds as provided therein, if such insurance is determined by a Designated Representative to be in the best interest of the City.

Each Designated Representative is further authorized and directed to undertake all action necessary and to execute such documents as needed to redirect Local Option Sales and Use Tax Revenues to pay debt service on the portion of the Bonds allocable to the financing and/or refinancing of the Improvements and the Town Center Project within the Revitalization Area. Such documents may include, but are not limited to, amendments to the Paying Agreement and the Interlocal Agreement as determined to be necessary by a Designated Representative and Bond Counsel to the City.

Section 13. Preliminary and Final Official Statements. Each Designated Representative is hereby authorized to deem final the preliminary Official Statement relating to a series of Bonds for the purposes of the Rule. Each Designated Representative is further authorized to approve for purposes of the Rule, on behalf of the City, the final Official Statement relating to the issuance and sale of a series of Bonds and the distribution of the final Official Statement in accordance with the Rule with such changes, if any, as may be deemed by him or her to be appropriate.

Section 14. Undertaking to Provide Ongoing Disclosure. The City covenants to execute and deliver at the time of Closing of a series of Bonds a Continuing Disclosure Certificate. Each Designated Representative is hereby authorized to execute and deliver a Continuing Disclosure Certificate upon the issuance, delivery and sale of a series of Bonds with such terms and provisions as such officer shall deem appropriate and in the best interests of the City.

Section 15. Lost, Stolen or Destroyed Bonds. In case any Bonds are lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond or Bonds of like series, amount, date and tenor to the Registered Owner thereof if the Registered Owner pays the expenses and charges of the Bond Registrar and the City in connection therewith and files with the Bond Registrar and the City evidence satisfactory to both that such Bond or Bonds were actually lost, stolen or destroyed and of his or her ownership thereof, and furnishes the City and the Bond Registrar with indemnity satisfactory to both.

Section 16. Severability; Ratification. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the

Bonds. All acts taken pursuant to the authority granted in this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 17. Corrections by Clerk. Upon approval of the City Attorney and Bond Counsel, the City Clerk is hereby authorized to make necessary corrections to this ordinance, including but not limited to the correction of clerical errors; references to other local, State or federal laws, codes, rules, or regulations; ordinance numbering and section/subsection numbering; and other similar necessary corrections.

Section 18. Effective Date. This ordinance shall take effect and be in force five (5) days from and after its passage, approval, and publication, as required by law. A summary of this ordinance, consisting of the title, may be published in lieu of publishing the ordinance in its entirety.

PASSED BY THE CITY COUNCIL ON October 21, 2019.

By _____
Mayor

ATTEST

City Clerk

APPROVED AS TO FORM:

PACIFICA LAW GROUP LLP

Bond Counsel

PUBLISHED: _____

EFFECTIVE: _____

Exhibit A

Form of Bond

[DTC LANGUAGE]

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON

CITY OF UNIVERSITY PLACE

LIMITED TAX GENERAL OBLIGATION [REFUNDING] BOND, 2019[(TAXABLE)]

INTEREST RATE: %

MATURITY DATE:

CUSIP NO.:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City of University Place, Washington (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from _____, 20____, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on _____ 1, 20____, and semiannually thereafter on the first days of each succeeding _____ and _____. Both principal of and interest on this bond are payable in lawful money of the United States of America. The fiscal agent of the State of Washington has been appointed by the City as the authenticating agent, paying agent and registrar for the bonds of this issue (the "Bond Registrar"). For so long as the bonds of this issue are held in fully immobilized form, payments of principal thereof and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") from the City to DTC.

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and Ordinance No.____, duly passed by the City Council on _____, 2019 (the "Bond Ordinance"). Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

This bond is one of an authorized issue of bonds of like series, date, tenor, rate of interest and date of maturity, except as to number and amount in the aggregate principal amount of \$ _____ and is issued pursuant to the Bond Ordinance to provide a portion of the funds necessary [to pay the costs of certain public improvements meeting the requirements of RCW 39.104.020][to refund certain outstanding obligations of the City and of the City of University Place Town Center Project Authority] and to pay costs of issuance.

The bonds of this issue are subject to redemption prior to their stated maturities as provided in the Bond Purchase Contract.

The City has irrevocably covenanted and agreed for as long as the bonds of this issue are outstanding and unpaid that each year it shall include in its budget and levy an ad valorem tax upon all the property within the City subject to taxation in an amount that will be sufficient, together with all other revenues and money of the City legally available for such purposes, to pay the principal of and interest on the bonds of this issue as the same shall become due.

The City has irrevocably pledged that the annual tax provided for to be levied for the payment of such principal and interest shall be within and as a part of the property tax levy permitted to cities without a vote of the electorate, and that a sufficient portion of each annual levy to be levied and collected by the City prior to the full payment of the principal of and interest on the bonds of this issue will be and is hereby irrevocably set aside, pledged and appropriated for the payment of the principal of and interest on the bonds of this issue. The full faith, credit and resources of the City have been irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of the principal of and interest on the bonds of this issue when due.

The City has further irrevocably pledged all Local Option Sales and Use Tax Revenues to the portion of the bonds of this issue allocable to the [Improvements][Town Center Project]. The City further covenanted to impose the Local Option Sales and Use Tax, collect the Local Option Sales and Use Tax Revenues under and in accordance with RCW 82.14.505 and RCW 82.14.510, and apply Local Option Sales and Use Tax Revenues to pay debt service on the portion of the bonds of this issue allocable to the [Improvements][Town Center Project]. In the event that the Bonds are combined with other limited tax general obligation bonds of the City and sold as a single series, the Local Option Sales and Use Tax Revenues shall be pledged to the portion of the combined series of bonds allocable to the Improvements.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist and to have happened, been done and performed precedent to and in the issuance of this bond exist and have happened, and have been done and performed and that the issuance of this bond and the bonds of this issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of University Place, Washington, has caused this bond to be executed by the manual or facsimile signatures of the Mayor and the City Clerk and the seal of the City to be imprinted, impressed or otherwise reproduced hereon as of this ____ day of _____, 20__.

[SEAL]

CITY OF UNIVERSITY PLACE, WASHINGTON
By _____/s/ manual or facsimile_____
Mayor

ATTEST:
_____/s/ manual or facsimile_____
City Clerk

The Bond Registrar's Certificate of Authentication on the Bonds shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is one of the Limited Tax General Obligation [Refunding] Bonds, 2019[A][B (Taxable)], of the City of University Place, Washington, dated _____, 2019.

WASHINGTON STATE FISCAL AGENT, as
Bond Registrar

By _____

CERTIFICATE

I, the undersigned, City Clerk of the City Council of the City of University Place, Washington (the "City"), DO HEREBY CERTIFY:

1. The attached copy of Ordinance No. _____ (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 October 21, 2019 as that ordinance appears in the minute book of the City; and the Ordinance will be in full force and effect after its passage and publication as provided by law; and

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; and that all other requirements and proceedings incident to the proper passage of said Ordinance have been fully fulfilled, carried out and otherwise observed.

3. That Ordinance No. _____ has not been amended, supplemented or rescinded since its passage and is in full force and effect and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of October, 2019.

City Clerk

STUDY SESSION

Memo

DATE: October 21, 2019
TO: City Council
FROM: Leslie Blaisdell, Finance Director
SUBJECT: 2019/2020 Mid-Biennial Budget Adjustment



Before you for study session tonight is the 2019/2020 Mid-Biennial Budget Adjustment. The required public hearing and adoption is scheduled for November 4, 2019. Many of the changes are standard adjustments to projections. I have highlighted the significant changes to both 2019 and 2020 below.

Revenue adjustments include:

- Increase in Sales tax in 2019 of \$200,000
- Increase in Investment interest of \$150,000 in 2019 and \$125,000 in 2020
- Increase in Leasehold Excise tax of \$500 in both 2019 and 2020
- Increase in SRO Reimbursement of \$21,498 in 2019 and \$67,767 in 2020
- Addition of the NPDES 2019/2020 Grant in the amount of \$50,000
- Increased transfer to Parks for Cirque Park fencing (\$11,072) and PROS plan (\$75,000) in 2019
- Shifting of the Chambers Creek Road Grant funding from 2021 to 2020 (\$255,000)
- Shifting of REET transfer from 2021 to 2020 for Chamber Creek Road Match (\$45,000)
- Reduced Civic Building Rental income for adjusted Anthem lease in 2019 and 2020 (-10,980 each year)
- Increase PW CIP via transfers from LRF (\$600,000), SWM (\$50,000) and Traffic Impact (\$350,000) for the Larsen Lane Phase 2 project
- Increased Strategic Reserve in 2019 (\$85,012) and 2020 (\$142,889) via General Fund transfers to meet the Council Goal of a 1% annual increase to reserve funds

Expenditure adjustments include:

- Funding for the Councilmember Pro-Tem Position in 2019 (\$5,250) and 2020 (\$21,000)
- Funding for additional costs related to added Community Events in 2019 (\$73,942) and 2020 (\$54,800). 2019 costs include one-time costs for additional safety related items which includes bollards, security fencing and lighting
- Funding for National Survey in 2020 (\$17,000)
- Increase in Parks in 2019 for fencing at Cirque Park (\$11,072) and the PROS Plan (\$75,000)
- Increase Jail costs in 2019 (80,000) and 2020 (\$80,000)
- Increase Court costs in 2020 (\$100,000)
- Reduction to South Sound 911 cost in 2020 (\$41,680)
- Shifting of the Chamber Creek Road Design Phase from 2021 to 2020 (\$300,000)
- Addition of the Larsen Lane Phase 2 project (\$1.0M)

- Increase General Fund transfer to Property Management in 2019 and 2020 for increased security and lease adjustment
- Increased security costs at Windmill Village and the Civic Building in 2019 (\$81,800) and 2020 (\$70,226)

Additionally, adjustments have been made in the LRF and Debt Service funds related to the upcoming bond refinance. We have reduced the principal payment for savings related to the 2012 Bond refunding in the amount of \$115,000. We have also included the projected principal and interest payment for the LRF Bond which is being refunded and issued by the City rather the Town Center Authority Board. Adjustments related to the refinance also includes the use of the LRF fund balance as part of the transaction. Additionally, we have budgeted the projected bond proceeds of \$1.9M for the LRF fund.

Additionally, there have been questions about the advance construction of the Chambers Creek Road Project. Below is a projected cashflow for the Design portion of the project which will occur in 2020.

Chambers Creek Road Advance CN Design Projected Cashflow		
2020 Schedule	Expenditures	Grant Revenue
January	\$ 10,000.00	
February	\$ 10,000.00	
March	\$ 20,000.00	
April	\$ 20,000.00	
May	\$ 15,000.00	
June	\$ 10,000.00	
July	\$ 10,000.00	
August	\$ 10,000.00	
Sept	\$ 15,000.00	
October	\$ 20,000.00	
November	\$ 25,000.00	\$ 121,100.00
December	\$ 25,000.00	\$ 21,625.00
Total 2020	\$ 190,000.00	\$ 142,725.00
Carry-forward 2021	\$ 110,000.00	\$ 112,275.00

As you can see in the updated forecast attached, the various adjustments have a negligible effect on our General Fund ending fund balance in the near term. We see an increase in 2019 and 2020 but by 2027 the Unreserved Ending Fund balance dips below \$1.0M. Additionally, you can see that the increased costs for Jail and Court have the Police Fund projected to go negative in 2029. Currently, I don't foresee this as an immediate issue to resolve as the projection is 10 years out and a lot can happen in that time. Each year these funds have savings and additional revenues that will help make up the difference.

CITY OF UNIVERSITY PLACE
FINANCIAL FORECAST - 2019 Through 2029
ENDING FUND BALANCES

	12/31/2019 Budget	12/31/2019 Adjusted	12/31/2020 Budget	12/31/2020 Adjusted	12/31/2021 Projected	12/31/2022 Projected	12/31/2023 Projected	12/31/2024 Projected	12/31/2025 Projected	12/31/2026 Projected	12/31/2027 Projected	12/31/2028 Projected	12/31/2029 Projected
General Fund - Unreserved	\$1,685,812	\$1,719,725	\$1,048,176	\$1,163,194	\$1,508,520	\$1,578,606	\$1,572,600	\$1,419,246	\$1,334,467	\$1,082,868	\$956,553	\$734,447	\$304,717
Police/Public Safety Fund	4,631,123	4,572,621	5,162,228	5,044,887	4,877,598	4,617,589	4,260,864	3,803,287	3,240,583	2,568,329	1,781,953	876,726	-152,240
Parks Fund	71,505	71,505	71,505	71,505	71,505	71,505	71,505	71,505	71,505	71,505	71,505	71,505	71,505
Development Services Fund	118,811	118,811	92,048	92,048	71,374	50,079	28,146	5,554	5,554	5,553	5,553	5,553	5,553
General Fund - Reserved EFB	1,910,000	2,150,000	2,150,000	2,150,000	2,722,801	2,722,801	3,667,607	3,667,607	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
	8,417,251	8,632,662	8,523,957	8,521,634	9,251,798	9,040,580	9,600,721	8,967,199	8,652,109	7,728,256	6,815,564	5,688,231	4,229,535
Street Fund	1,060,135	1,060,135	1,128,979	1,128,979	1,168,202	1,176,709	1,153,368	1,097,011	1,006,432	880,387	717,592	525,777	303,666
Internal Service Funds*	395,542	395,542	395,542	395,542	395,542	395,542	395,542	395,542	395,542	395,542	395,542	395,542	395,542
Strategic Reserve	1,060,000	1,145,012	1,060,000	1,287,901	1,431,510	1,578,737	1,730,237	1,886,134	1,886,134	1,886,134	1,886,134	1,886,134	1,886,134
Sub Total	2,515,677	2,600,689	2,584,521	2,812,422	2,995,254	3,150,988	3,279,147	3,378,687	3,288,108	3,162,063	2,999,268	2,807,453	2,585,342
Other Restricted Funds**	6,638,653	6,876,998	5,765,653	4,918,998	5,614,772	5,634,683	3,785,839	4,186,905	4,438,313	4,807,870	4,827,189	5,000,641	5,030,776
Grand Total	\$17,571,580	\$18,110,348	\$16,874,132	\$16,253,055	\$17,861,824	\$17,826,251	\$16,665,707	\$16,532,791	\$16,378,531	\$15,698,189	\$14,642,022	\$13,496,325	\$11,845,653

**Business of the City Council
City of University Place, WA**

Proposed Council Action:

Pass an Ordinance amending the 2019-2020 Biennial Budget for the Mid-Biennial Budget Adjustment.

Agenda No:

Dept. Origin: Finance

For Agenda of: November 4, 2019

Exhibits: Ordinance, Exhibits A-1 and A-2 Forecast

Concurred by Mayor: _____

Approved by City Manager: _____

Approved as to Form by City Atty.: _____

Approved by Finance Director: _____

Approved by Department Head: _____

Expenditure Required: \$94,055,139	Amount Budgeted: \$88,826,928	Appropriation Required: \$5,228,211
---------------------------------------	----------------------------------	--

SUMMARY / POLICY ISSUES

An Ordinance of the City of University Place, Washington revising the 2019-2020 Adopted Biennial Budget and amending Section 1 of Ordinance No. 718. Most changes are standard adjustments. The following details the higher value/more significant changes:

Revenue adjustments include:

- Increase in Sales tax in 2019 of \$200,000
- Increase in Investment interest of \$150,000 in 2019 and \$125,000 in 2020
- Increase in Leasehold Excise tax of \$500 in both 2019 and 2020
- Increase in SRO Reimbursement of \$21,498 in 2019 and \$67,767 in 2020
- Addition of the NPDES 2019/2020 Grant in the amount of \$50,000
- Increased transfer to Parks for Cirque Park fencing (\$11,072) and PROS plan (\$75,000) in 2019
- Shifting of the Chambers Creek Road Grant funding from 2021 to 2020 (\$255,000)
- Shifting of REET transfer from 2021 to 2020 for Chamber Creek Road Match (\$45,000)
- Reduced Civic Building Rental income for adjusted Anthem lease in 2019 and 2020 (-10,980 each year)
- Increase PW CIP via transfers from LRF (\$600,000), SWM (\$50,000) and Traffic Impact (\$350,000) for the Larsen Lane Phase 2 project
- Increased Strategic Reserve in 2019 (\$85,012) and 2020 (\$142,889) via General Fund transfers to meet the Council Goal of a 1% annual increase to reserve funds

Expenditure adjustments include:

- Funding for the Councilmember ProTem Position in 2019 (\$5,250) and 2020 (\$21,000)
- Funding for additional costs related to added Community Events in 2019 (\$73,942) and 2020 (\$54,800). 2019 costs include one-time costs for additional safety related items which includes bollards, security fencing and lighting
- Funding for National Survey in 2020 (\$17,000)
- Increase in Parks in 2019 for fencing at Cirque Park (\$11,072) and the PROS Plan (\$75,000)
- Increase Jail costs in 2019 (80,000) and 2020 (\$80,000)
- Increase Court costs in 2020 (\$100,000)
- Reduction to South Sound 911 cost in 2020 (\$41,680)
- Shifting of the Chamber Creek Road Design Phase from 2021 to 2020 (\$300,000)
- Addition of the Larsen Lane Phase 2 project (\$1.0M)
- Increase General Fund transfer to Property Management in 2019 and 2020 for increased security and lease adjustment
- Increased security costs at Windmill Village and the Civic Building in 2019 (\$81,800) and 2020 (\$70,226)

Additionally, adjustments have been made in the Debt Service fund related to the upcoming bond refinance. We have reduced the principal payment for savings related to the 2012 Bond refunding in the amount of \$115,000. We have also included the projected principal and interest payment for the LRF Bond which is being refunded and issued by the City rather the Town Center Authority Board. Adjustments related to the refinance also includes the use of the LRF fund balance as part of the transaction.

ALTERNATIVES CONSIDERED

None.

BOARD OR COMMITTEE RECOMMENDATION

City Council Reviewed and discussed these changes during Study Session on October 21, 2019.

RECOMMENDATION / MOTION

MOVE TO: Pass an Ordinance amending the 2019-2020 Biennial Budget for the Mid-Biennial Budget Adjustment.

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE,
WASHINGTON, RELATING TO BUDGETS AND FINANCE, REVISING THE 2019/2020
BUDGET AMENDING SECTION 1 OF ORDINANCE NO. 718**

WHEREAS, certain revisions to the 2019/2020 biennial budget are necessary;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE,
WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. 2019/2020 Amended Budget. Ordinance 718, Section 1, is amended to adopt the revised budget for the 2019/2020 biennium in the amounts and for the purposes as shown on the attached Exhibits A-1 and A-2.

Section 2. Severability. The provisions of this ordinance are declared separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance or the invalidity of the application thereof to any person or circumstance, shall not affect the validity of the remainder of the ordinance, or the validity of its application to other persons or circumstances.

Section 3. Ratification. Any act consistent with the authority and prior to the effective date of this ordinance is hereby ratified and affirmed.

Section 4. Published and Effective Date. A summary of this ordinance consisting of its title shall be published in the official Newspaper of the City. This ordinance shall take effect five days after publication.

PASSED BY THE CITY COUNCIL ON _____, 2019.

Kent Keel, Mayor

ATTEST:

Emelita J. Genetia, City Clerk

APPROVED AS TO FORM:

Matthew S. Kaser, City Attorney

Date of Publication: xx/xx/xx

Effective Date: xx/xx/xx

**EXHIBIT A-1
CITY OF UNIVERSITY PLACE
2019 Amended Budget**

FUND	REVENUES & OTHER SOURCES			EXPENDITURES & OTHER USES			ENDING BALANCE
	Adopted	Adjust	Revised	Adopted	Adjust	Revised	Balance
Operating							
General							
001 General	\$ 15,667,427	350,500	16,017,927	\$ 12,071,615	76,587	12,148,202	3,869,725
Special Revenue							
101 Street	3,000,455	-	3,000,455	1,940,320	-	1,940,320	1,060,135
102 Arterial Street	426,085	-	426,085	342,233	-	342,233	83,852
103 Real Estate Excise Tax	2,776,591	-	2,776,591	1,590,138	25,901	1,616,039	1,160,552
104 Parks and Recreation	800,464	86,072	886,536	728,959	86,072	815,031	71,505
105 Traffic Impact Fees	1,172,477	-	1,172,477	-	-	-	1,172,477
106 Transportation Benefit District	98,881	-	98,881	98,881	-	98,881	-
107 Development Services	1,832,196	15,000	1,847,196	1,713,385	15,000	1,728,385	118,811
108 LRF	2,262,440	1,900,000	4,162,440	600,430	1,662,010	2,262,440	1,900,000
109 Police/Public Safety Fund	10,071,237	21,498	10,092,735	5,440,114	80,000	5,520,114	4,572,621
188 Strategic Reserve	1,060,000	85,012	1,145,012	-	-	-	1,145,012
Sub-total Special Revenue	23,500,826	2,107,582	25,608,408	12,454,460	1,868,983	14,323,443	11,284,965
Enterprise							
401 Surface Water Mgmt	6,258,513	50,000	6,308,513	5,424,380	23,744	5,448,124	860,389
Sub-total Enterprise	6,258,513	50,000	6,308,513	5,424,380	23,744	5,448,124	860,389
Debt Service							
201 Debt Service	3,338,607	-	3,338,607	3,334,564	-	3,334,564	4,043
Sub-total Debt Service	3,338,607	-	3,338,607	3,334,564	-	3,334,564	4,043
Total Operating	48,765,373	2,508,082	51,273,455	33,285,019	1,969,314	35,254,333	16,019,122
Capital Improvement							
301 Parks CIP	2,637,302	-	2,637,302	941,617	-	941,617	1,695,685
302 Public Works CIP	13,038,169	(10,355)	13,027,814	13,038,169	(10,355)	13,027,814	-
303 Municipal Facilities CIP	3,889,594	(115,489)	3,774,105	3,889,594	(115,489)	3,774,105	-
Sub-total CIP	19,565,065	(125,844)	19,439,221	17,869,380	(125,844)	17,743,536	1,695,685
Internal Service							
501 Fleet & Equipment	456,679	-	456,679	207,950	-	207,950	248,729
502 Information Technology & Services	2,014,717	-	2,014,717	1,885,125	-	1,885,125	129,592
505 Property Management	788,261	81,800	870,061	\$ 771,040	81,800	852,840	17,221
506 Risk Management	145,800	-	145,800	145,800	-	145,800	-
Total Internal Service	3,405,457	81,800	3,487,257	3,009,915	81,800	3,091,715	395,542
Non-Annually Budgeted							
150 Donations and Gifts to University Place	23,860	-	23,860	23,860	-	23,860	-
Non-Annually Budgeted	23,860	-	23,860	23,860	-	23,860	-
Total Budget	71,759,755	2,464,038	74,223,793	54,188,174	1,925,270	56,113,444	18,110,349

Assets
Assets
Assets

**EXHIBIT A-2
CITY OF UNIVERSITY PLACE
2020 Amended Budget**

FUND	REVENUES & OTHER SOURCES			EXPENDITURES & OTHER USES			ENDING BALANCE
	Adopted	Adjust	Revised	Adopted	Adjust	Revised	Balance
Operating							
General							
001 General	\$ 12,424,202	399,413	12,823,615	\$ 9,226,025	284,395	9,510,420	3,313,195
Special Revenue							
101 Street	3,214,336		3,214,336	2,085,357		2,085,357	1,128,979
102 Arterial Street	301,578		301,578	219,915		219,915	81,663
103 Real Estate Excise Tax	2,499,453	(25,901)	2,473,552	1,435,856	85,000	1,520,856	952,696
104 Parks and Recreation	815,475		815,475	743,970		743,970	71,505
105 Traffic Impact Fees	1,412,771		1,412,771	800,000	350,000	1,150,000	262,771
106 Transportation Benefit District	-		-	-		-	-
107 Development Services	1,835,348		1,835,348	1,743,300		1,743,300	92,048
108 LRF	2,162,010	237,990	2,400,000	500,000	600,000	1,100,000	1,300,000
109 Police/Public Safety Fund	10,747,370	20,979	10,768,349	5,585,142	138,320	5,723,462	5,044,887
188 Strategic Reserve	1,060,000	227,901	1,287,901	-	-	-	1,287,901
Sub-total Special Revenue	24,048,341	460,969	24,509,310	13,113,540	1,173,320	14,286,860	10,222,450
Enterprise							
401 Surface Water Mgmt	3,686,723	26,256	3,712,979	2,678,769	50,000	2,728,769	984,210
Sub-total Enterprise	3,686,723	26,256	3,712,979	2,678,769	50,000	2,728,769	984,210
Debt Service							
201 Debt Service	3,330,207	385,000	3,715,207	3,326,164	385,000	3,711,164	4,043
Sub-total Debt Service	3,330,207	385,000	3,715,207	3,326,164	385,000	3,711,164	4,043
Total Operating	43,489,473	1,271,638	44,761,111	28,344,498	1,892,715	30,237,213	14,523,898
Capital Improvement							
301 Parks CIP	3,417,615	-	3,417,615	2,084,000		2,084,000	1,333,615
302 Public Works CIP	2,094,617	1,340,000	3,434,617	2,094,617	1,340,000	3,434,617	-
303 Municipal Facilities CIP	-	-	-	-	-	-	-
Sub-total CIP	5,512,232	1,340,000	6,852,232	4,178,617	1,340,000	5,518,617	1,333,615
Internal Service							
501 Fleet & Equipment	485,104	-	485,104	236,375	-	236,375	248,729 Assets
502 Information Technology & Services	1,206,956	-	1,206,956	1,077,364	-	1,077,364	129,592 Assets
505 Property Management	667,784	70,226	738,010	650,563	70,226	720,789	17,221
506 Risk Management	151,337	-	151,337	151,337	-	151,337	- Assets
Total Internal Service	2,511,181	70,226	2,581,407	2,115,639	70,226	2,185,865	395,542
Non-Annually Budgeted							
621 Endowment							-
150 Donations and Gifts to University Place	-	-	-	-	-	-	-
Non-Annually Budgeted							
	-	-	-	-	-	-	-
Total Budget	51,512,886	2,681,864	54,194,750	34,638,754	3,302,941	37,941,695	16,253,055

Memo

DATE: October 21, 2019
TO: City Council
FROM: Leslie Blaisdell, Finance Director
SUBJECT: 1% Property Tax Increase Study Session



Attached for your review is the draft Council Bill, Ordinance and back-up documentation.

The 2019/2020 adopted budget includes the statutorily allowed increase in the City's ad valorem property tax in each year of the biennial budget.

However, in order to implement the increase for 2020, it is necessary to adopt an ordinance imposing the increase in the regular property tax levy for 2020 in the amount of \$28,959.05 which is a percentage increase of 0.659106% from the previous year.

All property tax revenue is dedicated to Police whose contracted expenses increase by 3% annually.

Staff is recommending that council pass an Ordinance relating to ad valorem property taxes, establishing the amounts to be raised in 2020 by taxation on the assessed valuation of property in the City of University Place, and setting the levy for the year 2020.

**Business of the City Council
City of University Place, WA**

Proposed Council Action:

Pass an Ordinance relating to ad valorem property taxes, establishing the amounts to be raised in 2020 by taxation on the assessed valuation of property in the City of University Place, and setting the levy for the year 2020.

Agenda No:

Dept. Origin:

Finance

For Agenda of:

November 4, 2019

Exhibits:

Ordinance
PC Preliminary Values

Concurred by Mayor:

Approved by City Manager:

Approved as to Form by City Atty.:

Approved by Finance Director:

Approved by Department Head:

Expenditure
Required: \$0.00

Amount
Budgeted: \$0.00

Appropriation
Required: \$0.00

SUMMARY / POLICY ISSUES

On November 5, 2018, City Council approved the 2019-2020 Biennial Budget after holding two public hearings pursuant to RCW 84.55.120. The City Council's adopted budget for the 2019-2020 biennium includes a 1% increase in the City's ad valorem property tax in each year of the biennial budget.

To implement the 1% increase for 2020, it is necessary to adopt an ordinance imposing an increase in the regular property tax levy. The statutory limit results in an increase in the levy of \$28,959.05, which is a percentage increase of 0.659106% exclusive of revenue from new construction, improvements to property, any increase in the value of state-assessed property, any annexations that have occurred and refunds made.

RECOMMENDATION / MOTION

MOVE TO: Pass an Ordinance relating to ad valorem property taxes, establishing the amounts to be raised in 2020 by taxation on the assessed valuation of property in the City of University Place, and setting the levy for the year 2020.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, RELATING TO AD VALOREM PROPERTY TAXES; ESTABLISHING THE AMOUNTS TO BE RAISED IN 2018 BY TAXATION ON THE ASSESSED VALUATION OF PROPERTY IN THE CITY; AND SETTING THE LEVY FOR THE YEAR 2020

WHEREAS, the City Council of the City of University Place has met and considered its budget for the calendar year 2020; and

WHEREAS, the City's actual levy amount from the previous year was \$4,393,688.52; and

WHEREAS, the population of the City is more than 10,000.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON DOES ORDAIN AS FOLLOWS:

Section 1. 2020 Property Tax. An increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2020 tax year. The dollar amount of the increase over the actual levy amount from the previous year shall be \$28,959.05 which is a percentage increase of 0.659106% from the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Section 2. Severability. The provisions of this ordinance are declared separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance or the invalidity of the application thereof to any person or circumstance, shall not affect the validity of the remainder of the ordinance, or the validity of its application to other persons or circumstances.

Section 3. Effective Date and Publication. A summary of this Ordinance consisting of its title shall be published in the official newspaper of the City. This ordinance shall become effective five days after publication.

PASSED BY THE CITY COUNCIL ON NOVEMBER 4, 2019.

Kent Keel, Mayor

ATTEST:

Emelita Genetia, City Clerk

APPROVED AS TO FORM:

Matt Kaser, City Attorney

Date of Publication: xx/xx/xx

Effective Date: xx/xx/xx



SEP 18 2019

MEMORANDUM

DATE: September 16, 2019
TO: Pierce County Taxing Districts
FROM: Mike Lonergan, Assessor-Treasurer
RE: **Preliminary Certification of Assessed Values/Levy Limit Factor**

Enclosed is the Preliminary Certification of Assessed Values for your taxing district. These values include last year's State Assessed Property Values.

For budget preparation assistance to applicable districts, Levy limit factor worksheets, court ordered refund information, and sample ordinance/resolutions are included. *The amount of the prior year's additional revenue from increase in state assessed property listed on the preliminary values memo may be added to the levy limit calculation for estimating budget purposes.*

Submit original ad valorem Budget / Levy Certifications & an approved Ordinance or Resolution no later than November 30th (due to the date falling on a weekend this year, documents will be accepted through December 2nd):

Pierce County Council
Attention: Clerk, Rm. 1046
County City Building
930 Tacoma Ave. S
Tacoma, WA 98402

And a copy to:
Pierce County Assessor-Treasurer
Attention: Levy Dept.
2401 S. 35th St. Rm. 142
Tacoma, WA 98409

(Failure to submit a budget request & the district's Resolution/Ordinance may adversely affect next year's Levy collection)

Preliminary Values Are Subject to Change.

Districts will receive **Final** values in late December.

Amended Levy Certifications may be submitted to the Pierce County Council & Pierce County Assessor-Treasurer after final values have been calculated.

The district's Ordinance/Resolution **must** identify these three components.

- The **dollar amount of the previous year's levy**. The actual levy received, including refunds.
- The **dollar amount of increase** reflects the difference between the previous year's actual levy and the 1% growth of the highest lawful levy, or a lesser amount if banking levy capacity.
- The **percent of increase** equals the change over the prior year's actual levy plus the dollar amount of increase equal to the district's highest lawful levy for this year, or a lesser amount if banking levy capacity.

The sample Ordinance/Resolution enclosed provides the amounts for districts wishing to request their highest lawful levy.

See reverse for answers to frequently asked questions.

Contact Kim Fleshman for questions (253) 798-7114, kim.fleshman@piercecountywa.gov

Levy FAQs

Q. How should the Ordinance/Resolution read if the district is limited at a lesser amount due to the statutory maximum rate limit?

A. Prepare the document as though there is no limit due to the statutory maximum rate. Add language to inform the district's taxpayers of the rate limit and the projected allowable levy to the Ordinance/Resolution.

The Ordinance/Resolution must contain three amounts; last year's actual levy, the dollar amount & percent of increase needed for the following year. The intent of the district must be clear in the Ordinance/Resolution.

Q. Why does the sample Ordinance/Resolution show more/less than 1%?

A. The 1% limit refers to the limitation of increase to a district's highest lawful levy known as the Levy Limit Factor. The percent of increase approved in a district's Ordinance/Resolution equals the change over the prior year's actual amount levied plus the dollar amount of increase for the next year's budget needs.

- **The simple act of passing an Ordinance/Resolution allows a district to increase the Highest Lawful levy by the lesser of 1% or the IPD, depending on the size of the district.**
- **The increase authorized in the document identifies how much of that increase is required for the next year's budget needs.**

Q. Why does the sample show \$0 increase and an increase of 0%?

A. The total amount levied in the prior year is more than this year's increase from the limit factor, the district should ask for a \$0 and 0% increase. This does not affect any increase allowed by the limit factor increase of the highest lawful levy. Once a district passes the Ordinance/Resolution the Highest Lawful levy is allowed to increase by the limit factor.

A district's Ordinance or Resolution controls two levy limitations;

- 1. The act of passing a resolution/ordinance allows the Limit Factor increase (lesser of 1% or the IPD) to the highest lawful levy.**
- 2. The authorized percent and dollar amount stated increase over the prior year's actual, Certified levy request.**

Q. What documents need to be submitted by November 30?

A. No later than November 30, provide a copy of the approved Ordinance/Resolution & the Levy Certification (Budget Request).

FAILURE TO PROVIDE THESE DOCUMENTS BY THE DUE DATE COULD ADVERSLEY AFFECT YOUR LEVY.



Pierce County

Mike Lonergan, Assessor-Treasurer

2401 South 35th Street
Tacoma, WA 98409-7498
(253) 798-6111 FAX (253) 798-3142
ATLAS (253) 798-3333
www.piercecountywa.org/atr

September 16, 2019

OFFICIAL NOTIFICATION TO: **UNIVERSITY PLACE**

RE: 2019 PRELIMINARY ASSESSED VALUES

FOR REGULAR LEVY

Total Taxable Regular Value	4,649,804,499
Highest lawful regular levy amount since 1985	4,378,858.98
Last year's actual levy amount (including refunds)	4,393,688.52
Additional revenue from current year's NC&I	54,919.39
Additional revenue from annexations (RCW 84.55)	0.00
Additional revenue from administrative refunds (RCW 84.69)	5,519.44
<i>No additional revenue from administrative refunds will be allowed if you are limited by your statutory rate limit.</i>	
Last year's additional revenue from increase in state-assessed property	3,037.63
<i>(this amount may be added to the preliminary levy limit as an estimate of the final levy limit)</i>	

FOR EXCESS LEVY

Taxable Value	4,572,529,468
Timber Assessed Value	-
Total Taxable Excess Value	4,572,529,468

2019 New Construction and Improvement Value 52,975,965

*If you need assistance or have any questions regarding this information, please contact Kim Fleshman
253.798.7114 kim.fleshman@piercecountywa.gov*



Pierce County

Mike Lonergan, Assessor-Treasurer

2401 South 35th Street
Tacoma, WA 98409-7498
(253) 798-6111 FAX (253) 798-3142
ATLAS (253) 798-3333
www.piercecountywa.org/atr

PRELIMINARY HIGHEST LAWFUL LEVY LIMIT 2019 FOR 2020

**UNIVERSITY PLACE
> 10,000**

REGULAR TAX LEVY LIMIT:

	2018
A. <u>Highest regular tax which could have been lawfully levied beginning with the 1985 levy</u> [refund levy not included] times limit factor (as defined in RCW 84.55.005).	4,378,858.98
	1.01
	4,422,647.57
B. Current year's assessed value of new construction, improvements and wind turbines in original districts before annexation occurred times last year's levy rate (if an error occurred or an error correction was made in the previous year, use the rate that would have been levied had no error occurred).	52,975,965
	1.036685123456
	54,919.39
C. Current year's state assessed property value in original district if annexed less last year's state assessed property value. The remainder to be multiplied by last year's regular levy rate (or the rate that should have been levied).	31,629,509
	31,629,509
	0.00
	1.036685123456
	0.00
D. REGULAR PROPERTY TAX LIMIT (A + B + C)	4,477,566.96

ADDITIONAL LEVY LIMIT DUE TO ANNEXATIONS:

E. To find rate to be used in F, take the levy limit as shown in Line D above and divide it by the current assessed value of the district, excluding the annexed area.	4,477,566.96
	4,649,804,499
	0.962958112665
F. Annexed area's current assessed value including new construction and improvements times rate found in E above.	0.00
	0.962958112665
	0.00
G. NEW LEVY LIMIT FOR ANNEXATION (D + F)	4,477,566.96

LEVY FOR REFUNDS:

H. RCW 84.55.070 provides that the levy limit will not apply to the levy for taxes refunded or to be refunded pursuant to Chapters 84.68 or 84.69 RCW. (D or G + refund if any)	4,477,566.96
	5,519.44
	4,483,086.40
I. TOTAL ALLOWABLE LEVY AS CONTROLLED BY THE LEVY LIMIT (D,G,or H)	4,483,086.40
J. Amount of levy under statutory rate limitation.	4,649,804,499
	1.775448157873
	8,255,486.83
K. LESSER OF I OR J	4,483,086.40

**Business of the City Council
City of University Place, WA**

Proposed Council Action:

Authorize the City Manager to execute a Professional Services Agreement with Gray & Osborne for technical consultant and design services for the Tahoma Place West Storm Improvements in an amount not to exceed Seventy-Three Thousand Four Hundred Dollars (\$73,400.00).

Agenda No: 12
Dept. Origin: Public Works, Parks & Facilities
For Agenda of: October 21, 2019
Exhibits: Gray & Osborne PSA
Concurred by Mayor: _____
Approved by City Manager: _____
Approved as to Form by City Atty.: _____
Approved by Finance Director: _____
Approved by Department Head: _____

Expenditure Required: \$73,400.00	Amount Budgeted: \$640,655.00	Appropriation Required: \$0.00
--------------------------------------	----------------------------------	-----------------------------------

SUMMARY / POLICY ISSUES

In 2014, City Staff identified seven areas where critical stormwater facilities were known to be deficient. With design and engineering assistance from Gray & Osborn Engineering, five of the seven have been repaired, rebuilt or newly constructed. The next project to be done is the Tahoma Place West storm system.

Gray & Osborn Engineering has performed preliminary survey and drainage calculations in conjunction with previous projects. Next step is engineering, design and development of construction bid documents for the Tahoma Place project.

- Project list:
- 37th Street (completed)
 - Lemons Beach Outfall (completed)
 - 31st Street (completed)
 - Soundview Drive/Brookside Drive (completed)
 - 95th Avenue/66th Street (completed)
 - Tahoma Place
 - Olympic Drive

RECOMMENDATION / MOTION

MOVE TO: Authorize the City Manager to execute a Professional Services Agreement with Gray & Osborne for technical consultant and design services for the Tahoma Place West Storm Improvements in an amount not to exceed Seventy-Three Thousand Four Hundred Dollars (\$73,400.00).

**PROFESSIONAL SERVICES AGREEMENT
TAHOMA PLACE WEST STORM IMPROVEMENTS**

This Agreement ("Agreement") is dated effective this _____ day of _____, 2019. The parties ("Parties") to this Agreement are the City of University Place, a Washington municipal corporation ("City"), and Gray & Osborne, Inc, ("Contractor").

A. The City seeks the temporary professional services of a skilled independent contractor capable of working without direct supervision in the capacity of engineering design consult and is familiar with the City's municipal code, resolutions, regulations and policies.

B. The Contractor has the requisite skill and experience necessary to provide such services.

NOW, THEREFORE, the Parties agree to the following terms and conditions:

1. SERVICES.

1.1 The Contractor agrees to furnish all personnel, materials, and services and to otherwise do all things necessary for or incidental to the performance of the work set forth in Attachment "A," attached hereto and incorporated by this reference ("Services"). This amount shall include all services provided, as well as any reimbursable expenses and applicable taxes.

1.2 Compliance With Laws. All duties of the Contractor or designees shall be performed in accordance with all applicable federal and state laws and city ordinances as now existing or hereafter adopted or amended.

1.3 Control of Work. The Contractor shall control and direct the performance of the work. The City reserves the right to inspect, review and approve the work to assure that it has been completed as specified prior to payment.

1.4 Performance Standard. All duties by the Contractor or his designees shall be performed in a manner consistent with accepted practices for other similar services, performed to the City's satisfaction, within the time period prescribed by this Agreement and pursuant to the direction of the City Manager or designee.

2. TERM.

The Term of this Agreement shall commence upon the effective date of this Agreement and shall continue until the completion of the Services, but in any event no later than

Contractor: Gray & Osborne, Inc
Service: Storm Drainage Improvement Design
Project: Tahoma Place West Storm Improvements

Professional Services Agreement
(Revised 6/7/18)

December 31, 2020. This Agreement may be extended for additional periods of time upon the mutual written agreement of the City and the Contractor.

3. TERMINATION.

During any term, this Agreement may be terminated, with or without cause by either Party, by giving thirty (30) days written notice to the other party.

4. COMPENSATION.

4.1 Total Compensation. In consideration of the Contractor performing the Services, the City agrees to pay an amount not to exceed \$73,400.00 which includes taxes, fees, and reimbursable expenses.

4.2 Compensation Rates. Compensation for Services shall be in accordance with the rates set forth in Attachment "B," attached hereto and incorporated by this reference.

4.3 Method of Payment. Payment by the City for the Services will only be made after:

- a. The work has been performed and/or items provided and an itemized invoice has been submitted which describes the specific work performed and/or items provided, the name of the entity or person performing the work or providing the services or items, and the cost broken down by work, hourly rate, or item cost as applicable; and
- b. The invoice has been submitted to and approved by the City representative who is managing the contract.

4.4 Contractor Responsible for Taxes. The Contractor shall be solely responsible for the payment of any taxes imposed by any lawful jurisdiction as a result of performance and payment under this Agreement.

5. REPRESENTATIONS.

The Contractor warrants that it has the requisite training, skill and experience necessary to provide the Services and is appropriately accredited and licensed by all applicable agencies and governmental entities.

The Contractor has a Business License from the City of University Place.

6. INDEPENDENT CONTRACTOR.

It is the intention and understanding of the Parties that the Contractor shall be an independent contractor. The Contractor or his or her employees or agents performing under this

Agreement are not employees or agents of the City. The Contractor will not hold himself or herself out as nor claim to be an officer or employee of the City. The Contractor will not make any claim of right, privilege, or benefit which would accrue to an employee under law. The City shall neither be liable for nor obligated to pay sick leave, vacation pay or any other benefit of employment, nor to pay any social security or other tax which may arise as an incident of employment. The Contractor shall pay all income and other taxes as due. Industrial or any other insurance which is purchased for the benefit of the Contractor shall not be deemed to convert this Agreement to an employment contract.

It is recognized that the Contractor may or will be performing professional services during the term for other parties and that the City is not the exclusive user of the Contractor's services; provided, however, that the performance of other professional services shall not conflict with or interfere with the Contractor's ability to perform the Services. The Contractor agrees to resolve any conflict in favor of the City.

7. INDEMNIFICATION.

Contractor shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of the Contractor in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor and the City, its officers, officials, employees, and volunteers, the Contractor's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Contractor's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Contractor's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

8. INSURANCE.

8.1 Insurance Term

The Contractor shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, or employees.

8.2 No Limitation

Contractor's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Contractor to the coverage provided by such insurance, or otherwise limit the Public Entity's recourse to any remedy available at law or in equity.

8.3 Minimum Scope of Insurance

Contractor shall obtain insurance of the types and coverage described below:

- a. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability Coverage.
- b. Commercial General Liability insurance shall be at least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop-gap independent contractors and personal injury and advertising injury. The Public Entity shall be named as an additional insured under the Contractor's Commercial General Liability insurance policy with respect to the work performed for the Public Entity using an additional insured endorsement at least as broad as ISO CG 20 26.
- c. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
- d. Professional Liability insurance appropriate to the Contractor's profession.

8.4 Minimum Amounts of Insurance

Contractor shall maintain the following insurance limits:

- a. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
- b. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.
- c. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

8.5 Other Insurance Provision

The Contractor's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the City. Any Insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Contractor's insurance and shall not contribute with it.

8.6 Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

8.7 Verification of Coverage

Contractor shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Contractor before commencement of the work.

8.8 Notice of Cancellation

The Contractor shall provide the City with written notice of any policy cancellation within two business days of their receipt of such notice.

8.9 Failure to Maintain Insurance

Failure on the part of the Contractor to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five business days notice to the Contractor to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Contractor from the City.

8.10 City Full Availability of Contractor Limits

If the Contractor maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Contractor, irrespective of whether such limits maintained by the Contractor are greater than those required by this contract or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the Contractor.

9. EQUAL OPPORTUNITY EMPLOYER.

The Contractor agrees to take all steps necessary to comply with all federal, state, and City laws and policies regarding non-discrimination and equal employment opportunities. The Contractor shall not discriminate in any employment action because of race, religion, color, national origin or ancestry, sex, gender identity, sexual orientation, age, marital status, familial status, or the presence of any sensory, mental or physical handicap. In the event of non-compliance by the Contractor with any of the non-discrimination provisions of this Contract, the City shall be deemed to have cause to terminate this Contract, in whole or in part.

10. CONFIDENTIALITY.

The Contractor agrees that all materials containing confidential information received pursuant to this Agreement shall not be disclosed without the City's express written consent. Contractor agrees to provide the City with immediate written notification of any person seeking disclosure of any confidential information obtained for the City.

11. WORK PRODUCT.

All work product, including records, files, documents, plans, computer disks, magnetic media or material which may be produced or modified by the Contractor while performing the Services shall belong to the City. Upon written notice by the City during the Term of this Agreement or upon the termination or cancellation of this Agreement, the Contractor shall deliver all copies of any such work product remaining in the possession of the Contractor to the City.

12. BOOKS AND RECORDS.

The Contractor agrees to maintain books, records, and documents that sufficiently and properly reflect all direct and indirect costs related to the performance of the Services and maintain such accounting procedures and practices as may be deemed necessary by the City to assure proper accounting of all funds paid pursuant to this Agreement. These records shall be subject, at all reasonable times, to inspection, review, or audit by the City, its authorized representative, the State Auditor, or other governmental officials authorized by law to monitor this Agreement.

13. NON-APPROPRIATION OF FUNDS.

If sufficient funds are not appropriated or allocated for payment under this Agreement for any future fiscal period, the City will not be obligated to make payments for Services or amounts incurred after the end of the current fiscal period, and this Agreement will terminate upon completion of all remaining Services for which funds are allocated. No penalty or expense shall accrue to the City in the event this provision applies.

14. GENERAL PROVISIONS.

14.1 Entire Agreement. This Agreement contains all of the agreements of the Parties with respect to any matter covered or mentioned in this Agreement and no prior agreements shall be effective for any purpose.

14.2 Modification. No provisions of this Agreement may be amended or modified except by written agreement signed by the Parties.

14.3 Full Force and Effect. Any provision of this Agreement which is declared invalid or illegal shall in no way affect or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

14.4 Assignment. Neither the Contractor nor the City shall have the right to transfer or assign, in whole or in part, any or all of its obligations and rights hereunder without the prior written consent of the other party.

14.5 Successors in Interest. Subject to the foregoing Subsection, the rights and obligations of the Parties shall inure to the benefit of and be binding upon their respective successors in interest, heirs and assigns.

14.6 No Waiver. Failure or delay of the City to declare any breach or default immediately upon occurrence shall not waive such breach or default. Failure of the City to declare one breach or default does not act as a waiver of the City's right to declare another breach or default.

14.7 Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Washington.

14.8 Venue. The venue for any dispute related to this Agreement or for any action to enforce any term of this Agreement shall be Pierce County, Washington.

14.9 Authority. Each individual executing this Agreement on behalf of the City and the Contractor represents and warrants that such individuals are duly authorized to execute and deliver this Agreement on behalf of the Contractor or the City.

14.10 Notices. Any notices required to be given by the Parties shall be delivered at the addresses set forth below. Any notices may be delivered personally or may be deposited in the United States mail, postage prepaid, to the address set forth below. Any notice so posted in the United States mail shall be deemed received three (3) days after the date of mailing.

14.11 Performance. Time is of the essence of this Agreement in each and all of its provisions in which performance is a factor.

14.12 Remedies Cumulative. Any remedies provided for under the terms of this Agreement are not intended to be exclusive, but shall be cumulative with all other remedies available to the City at law or in equity.

14.13 Counterparts. This Agreement may be executed in any number of counter-parts, which counterparts shall collectively constitute the entire Agreement.

Executed on the dates written below.

GRAY & OSBORNE INC

CITY OF UNIVERSITY PLACE

By: _____

Printed Name: _____

Title: _____

Address: _____

Date: _____

Printed Name: Stephen Sugg

Title: City Manager

Address: 3715 Bridgeport Way W.

University Place, WA 98466-4456

Date: _____

Approved as to form:

Matthew S. Kaser, City Attorney



September 9, 2019

Mr. Gary Cooper
Director of Public Works, Parks, and Recreation
City of University Place
4951 Grandview Drive West
University Place, Washington 98467

SUBJECT: ENGINEERING PROPOSAL – TAHOMA PLACE WEST STORM
IMPROVEMENTS
CITY OF UNIVERSITY PLACE, PIERCE COUNTY, WASHINGTON
G&O #14464.04

Dear Mr. Cooper:

Per your request, enclosed is our proposal for providing engineering design services regarding the Tahoma Place West Storm Improvements project. Under prior contract, some work for this project was completed in 2014 and 2015, including topographical survey, utility location markings, field investigation, geotechnical investigation, and base mapping. We understand the City now desires to complete the design and prepare to publicly bid the project for construction.

Based on our understanding, we propose to provide engineering design services as described in the attached scope of work and fee estimate.

We appreciate the opportunity to be of service to you. Please advise accordingly.

Sincerely,

GRAY & OSBORNE, INC.

Roger W. Kuykendall, P.E.

RWK/hh
Encl.

EXHIBIT A

SCOPE OF WORK

CITY OF UNIVERSITY PLACE TAHOMA PLACE WEST STORM IMPROVEMENTS

PROJECT UNDERSTANDING

Based upon prior design work and discussions with City staff, we understand the project will provide for the design and preparation of bid-ready documents to replace the existing storm drainage collection and conveyance system on Tahoma Place West, from Grandview Drive to 33rd Street West, including a portion of 33rd Street West and potentially a portion of Olympic Drive West, terminating at the intersection of Olympic Drive West and 31st Street West. The existing drainage system consists of catch basins, pipes, and dry wells generally located within the east shoulder of the street. The road is rural in character, absent curbs, gutters, and sidewalks, with gravel and/or paved shoulders that are used for parking. Ponding in and along the roadway is typically present during inclement weather. Improvements are anticipated to include the removal of existing drainage facilities and the installation of new storm drainage collection and conveyance facilities (i.e., catch basins and pipes), water quality treatment facilities, and infiltration facilities; installing asphalt wedge curbs on both sides of the roadway to facilitate collection of runoff; regrading and paving of the roadway surface; utility conflict resolution; and property restoration.

SCOPE OF WORK

The engineering services contemplated for this project will generally include utility coordination, hydrologic modeling, roadway design, storm drainage collection and conveyance design, coordinating with City staff, and developing detailed project plans, quantities, and cost estimates. Contract plans and specifications will be formatted in accordance with past projects completed for the City. Our scope of work is more fully detailed below.

Task 1 – Project Management

Provide overall project management of Gray & Osborne resources, including resource management, monitoring schedule of deliverables, monitor and manage budget, manage and oversee the quality assurance/quality control (QA/QC) program, and provide client contact.

Task 2 – Utility Coordination

Coordinate with all affected utility companies as necessary to verify/determine specific locations of utilities and potential conflicts thereof. Coordinate with utility companies regarding holding, supporting, avoiding, and/or relocating utilities to accommodate installation of storm drainage facilities. At this time, affected utilities have been identified as Tacoma Power and Water, Tacoma Click! fiber optic, Comcast cable, CenturyLink telephone, PSE natural gas, and Pierce County sewer.

Request current utility maps and as-built information from utility companies. Available information will be incorporated into the design drawings, as applicable. Known and marked utilities will be identified on the plans. Engineer should be entitled to rely on the

accuracy of this information for the purpose of performing these services as detailed herein.

Task 3 – Hydrologic and Hydraulic Modeling

Perform drainage basin delineation and hydrologic and hydraulic modeling to determine approximate stormwater runoff rates and volumes to be used for sizing conveyance, infiltration, and water quality treatment facilities per City standards. Discuss with City staff alternatives for water quality treatment and infiltration facilities. Prepare a technical memorandum to document the analysis and design of the selected stormwater facilities. Incorporate facilities into design documents as directed.

Task 4 – Preliminary Design

Using information from prior design work and as obtained and/or calculated herein, develop a preliminary design for the proposed roadway and drainage improvements for the City’s evaluation, review, and comment:

1. Update the existing base map developed under prior work. Incorporate current available utility information. Prepare preliminary construction plans in City-approved format to include title sheet, legend, location and vicinity maps, plan and profile sheets, special notes, special details, etc.
2. Prepare draft project specifications in WSDOT format referencing the 2020 Standard Specifications for Road, Bridge, and Municipal Construction. Specifications are to include City-approved proposal, contract, and bonding requirements.
3. Calculate bid quantities and prepare preliminary level construction cost estimate.
4. Meet with utility companies and City staff as may be required to review project status and solicit comments.

Task 5 – Final Design

Incorporating design and construction comments from the utility companies, internal QA/QC reviewers, and City staff, prepare final bid/construction documents:

1. Prepare final construction plans to include title sheet, legend, location and vicinity map, plan and profile sheets, special notes, special details, etc.
2. Prepare final project specifications in WSDOT format to include proposal, contract, bonding requirements, and technical specifications.
3. Calculate final quantity takeoff and construction level construction cost estimate.

Task 6 – Quality Assurance/Quality Control

Provide QA/QC reviews of engineering products to enhance overall quality. Conduct two QA/QC reviews; one at 60 percent and another at 90 percent by key design team members to solicit comments, recommendations, and suggestions regarding engineering products, constructability issues, critical path items, risk management, and quality of

product. Prepare a QA/QC memorandum at each QA/QC interval regarding QA/QC comments, attendees, location, and date.

Task 7 – Bid Support

Provide assistance with bidding the project:

1. Prepare bid advertisement(s) for publication for the City’s review and use. The City will publish all advertisements deemed necessary.
2. Coordinate submittal of electronic (PDF) contract documents to the City. The City will post contract documents on the City’s online plan room, through the Builders Exchange website.
3. Support City staff to answer bid inquiries during the bid phase.
4. Support City staff to prepare any bid addenda as may be required.

DELIVERABLES

At the conclusion of the project effort and during the course of the project as applicable, the Engineer will deliver to the City the following documents:

- One electronic and two hard copies of preliminary plans, specifications, and cost estimate
- One electronic and two hard copies of final design plans, specifications, and cost estimate

BUDGET

The maximum amount payable to the Engineer for completion of work associated with this scope of work, including contingencies, salaries, overhead, direct non-salary costs, and net fee, will not be exceeded without prior written authorization of the City.

PROJECT ASSUMPTIONS REGARDING CITY RESPONSIBILITIES

This scope of work and the resulting maximum amount payable are based on the following assumptions and those stated City responsibilities as required for the development of the project. See also item assumptions noted in the aforementioned tasks. Changes in these assumptions and responsibilities may cause a change in scope of the services being offered and result in a corresponding adjustment of the contract price.

1. Additional topographical survey or geotechnical evaluation are not required to complete the project design.
2. No right-of-way acquisition, to include title reports, right-of-entry agreements, appraisals, appraisal reviews, market research, legal descriptions, deeds, negotiations, or conveyance documents are included in this scope of work.
3. The City will provide overall coordination and approval of the deliverables, including timely review of all submittals.

4. The City will complete and submit all necessary environmental documentation as may be required. The City will advertise and circulate any environmental documentation (SEPA, etc.) and pay for all permits and/or regulatory approvals as may be required.
5. Funding for the project, at this time, has been designated from local funds.
6. Gray & Osborne shall be entitled to rely on the accuracy of information provided by local utility purveyors and the City for the purpose intended and referenced in this scope of work.
7. The City will perform required duties necessary to advertise and solicit bids for the project. It also assumes that the City will pay for publishing/printing costs of the advertisement for bid. The City will make arrangements for and provide a suitable location to accommodate the bid opening.

EXHIBIT B

ENGINEERING SERVICES SCOPE AND ESTIMATED COST

City of University Place - Tahoma Place West Storm Improvements

Tasks	Principal Hours	Project Manager/ Engineer Hours	Civil Engineer Hours	AutoCAD/ GIS Tech./ Eng. Intern Hours
1 Project Management	8	24		
2 Utility Coordination	8	32	48	16
3 Hydrologic and Hydraulic Modeling	2	24	40	4
4 Preliminary Design	2	40	80	48
5 Final Design	2	32	64	32
6 Quality Assurance/Quality Control	8	12	12	8
7 Bid Support		4	16	8
Hour Estimate:	30	168	260	116
Fully Burdened Billing Rate Range:*	\$135 to \$200	\$119 to \$200	\$93 to \$135	\$50 to \$132
Estimated Fully Burdened Billing Rate:*	\$160	\$152	\$120	\$95
Fully Burdened Labor Cost:	\$4,800	\$25,536	\$31,200	\$11,020

Total Fully Burdened Labor Cost: \$ 72,556

Direct Non-Salary Cost:

Mileage & Expenses (mileage @ current IRS rate) \$ 460

Printing \$ 384

TOTAL ESTIMATED COST: \$ 73,400

* Actual labor cost will be based on each employee's actual rate. Estimated rates are for determining total estimated cost only. Fully burdened billing rates include direct salary cost, overhead, and profit.

LEGISLATIVE PROPOSAL

<p>PROPOSAL: Ban vaping in UP's public parks/spaces. Ban drones in UP's public parks/spaces. Ban cigarettes in UP's public parks/spaces. A review of the Parks Code would be warranted to note other updates.</p>
<p>REASON FOR THE PROPOSAL: <i>(Why is this request necessary?)</i> Vaping, cigarettes, and drones compromise the enjoyment and ambiance of a park experience and public open spaces. They also negatively impact the safety and health of community members that come to enjoy our parks and open spaces. Parks code needs to be reviewed and updated.</p>
<p>BACKGROUND INFORMATION: <i>(Provide background information to assist in understanding the legislative history or rationale for the legislation, including information on existing Code/Policy.)</i> Vaping produces a large vapor plume that can blow in the direction of a bystander. These are high addictive devices and can blow up in the user's face. If you are around anyone using an e-cigarette, you are breathing an aerosol of exhaled nicotine, ultra-fine particles, volatile organic compounds and other toxins (Dr. Stanton Glantz, Director for the Center of Tobacco Control Research and Education at University of San Francisco of California). Cigarettes are toxic and a known carcinogenic product that impacts users and by-standers. These products should be banned from use in public parks and open spaces. Drones are invasive, noisy and can present an imminent threat to fall out of the sky onto a passerby. These devices buzz around in your personal space and you have no control/awareness that the drone's camera is snapping a picture of you without your permission.</p>
<p>FISCAL IMPACT: After passing an ordinance(s): Staff time</p>
<p>DESIRED OUTCOME: Pass an ordinance to ban drones, cigarettes and vaping in public parks/spaces. Review of the City's Parks ordinances for any other updates.</p>
<p>RESOURCES REQUIRED: PAC would need to review code for these and additional updates.</p>

Submitted by:

Denise McCluskey (Signature on file.)
 (Signature)

09/03/19
 (Date)

I have read, understand and fully support the above proposal.

Chris Nye (Signature on file.)
 (Signature)

09/03/19
 (Date)