

**RESOLUTION NO. 675**

**A RESOLUTION OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, APPROVING THE EXECUTION AND DELIVERY OF A PAYMENT AGREEMENT AND AN INTERLOCAL AGREEMENT WITH THE CITY OF UNIVERSITY PLACE TOWN CENTER PROJECT AUTHORITY; APPROVING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE AND RELATED DOCUMENTS; APPROVING A PLAN OF FINANCING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.**

WHEREAS, the City of University Place, Washington, a municipal corporation (the "City") has previously begun the development and construction of a mixed-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 (collectively, the "Town Center Project");

WHEREAS, pursuant to Revised Code of Washington ("RCW") Chapter 39.104, the City is authorized to undertake a "local revitalization financing" within the meaning of RCW Chapter 39.104 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 the meaning of RCW Chapter 39.104 within a local revitalization area, and pursuant to Ordinance No. 557, enacted by the City on August 24, 2009, the City has designated as a "local revitalization area" within the meaning of RCW Chapter 39.104 certain property located within the City, upon a portion of which the Town Center Project is located;

WHEREAS, pursuant to Ordinance No. 593, enacted by the City on June 20, 2011, and RCW Sections 82.14.505 and 82.14.510, the City has levied and imposed a local option sales and use tax at a rate of 0.24 percent (the "Local Option Sales and Use Taxes") to generate revenues for such purposes in an aggregate amount of approximately \$500,000 with respect to each one year period commencing on July 1 and ending on the following June 30 (the "Local Option Sales and Use Tax Revenues");

WHEREAS, the City created the City of University Place Town Center Project Authority, a public authority (the "Authority"), pursuant to Ordinance No. 592, enacted by the City on June 20, 2011, in accordance with RCW Sections 35.21.730 through .757, to undertake on behalf of the City the financing of development and construction of components of the Town Center Project constituting "public improvements" within the "local revitalization area" designated by the City;

WHEREAS, the Authority, as a public agency, is authorized pursuant to RCW Section 39.34.030 to exercise jointly with any other public agency of the State of Washington (the "State") any powers, privileges or authority capable of exercise by such public agencies, including the issuance of bonds, and to enter into agreements for such joint or cooperative action,

and is authorized pursuant to section 35.21.745 RCW, as amended, to loan and borrow funds and issue bonds and other instruments evidencing indebtedness;

WHEREAS, the Authority intends to issue its Local Option Sales and Use Tax Revenue Bonds, Series 2011 (the "Bonds") pursuant to the Master Trust Agreement, to be dated as of June 1, 2011 (the "Master Trust Agreement"), between the Authority and U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee"), as amended and supplemented from time to time, including as supplemented by a First Supplemental Trust Agreement, to be dated as of June 1, 2011 (the "First Supplemental Trust Agreement" and together with the Master Trust Agreement, the "Trust Agreement"), between the Authority and the Trustee, for purposes of financing the completion of the of the Town Center Project;

WHEREAS, the Bonds are to be repaid from the Local Option Sales and Use Tax Revenues to be pledged by the City under a Payment Agreement, to be dated as of June 1, 2011 (the "Payment Agreement"), between the City and the Authority;

WHEREAS, the Authority and the City wish to enter into an Interlocal Agreement, to be dated as of June 1, 2011 (the "Interlocal Agreement"), pursuant to RCW Chapter 39.34, pursuant to which the Authority is to undertake on behalf of the City the financing of the completion of the "public improvements" within the Town Center Project by issuing the Bonds, and the City is to agree to contribute the Local Option Sales and Use Tax Revenues to the Authority to pay when due the principal of and interest on the Bonds; and

WHEREAS, the City Council has determined that it is in the best interests of the City to have the Authority undertake the financing of the public improvements within the Town Center Project on behalf of the City through issuance of the Bonds, and to pledge the Local Option Sales and Use Tax Revenues to the payment of the Bonds;

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

**Section 1. Confirmation of Findings.** The City Council hereby confirms the findings set forth in Section 1 of Ordinance 557, adopted on August 24, 2009.

**Section 2. Approval of Financing Plan.** The City Council hereby approves the financing of the components of the Town Center Project constituting "public improvements" through Authority's issuance of the Bonds, and the pledge and assignment of the Local Option Sales and Use Tax Revenues to the Authority or the Trustee, as the assignee of the Authority, to secure the payment of the principal of and interest on such Bonds.

**Section 3. Approval of Interlocal Agreement.** The Interlocal Agreement is approved in substantially the form presented at this meeting, and the City Manager, or his designee, each an "Authorized Representative," each acting singly, are hereby authorized to execute and deliver the Interlocal Agreement on behalf of the City, with such changes therein as the Authorized Representative executing the Interlocal Agreement shall deem appropriate and in the best interests of the City, upon consultation with counsel to the City, as conclusively

evidenced by the execution and delivery of the Interlocal Agreement by the Authorized Representative.

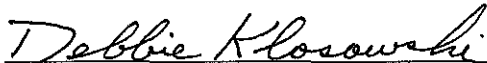
**Section 4. Approval of Payment Agreement.** The Payment Agreement is approved in substantially the form presented at this meeting, and the Authorized Representatives, each acting singly, are hereby authorized to execute and deliver the Payment Agreement on behalf of the City, with such changes therein as the Authorized Representative executing the Payment Agreement shall deem appropriate and in the best interests of the City, upon consultation with counsel to the City, as conclusively evidenced by the execution and delivery of the Payment Agreement by the Authorized Representative.

**Section 5. Approval of Continuing Disclosure Certificate.** The Authorized Representatives, each acting singly, are hereby authorized to execute and deliver a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") upon the issuance, sale and delivery of the Bonds, with such terms and provisions as the Authorized Representative shall deem appropriate and in the best interests of the City.

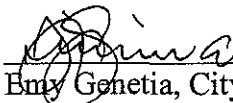
**Section 6. Further Action.** The Authorized Representatives, each acting singly, and the other officers, agents and employees of the City shall be and each of them is hereby authorized, empowered and directed to execute and deliver such other documents and agreements in addition to those enumerated herein, and to take such other actions as they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution and any other documents executed and delivered pursuant to the authority granted in this Resolution. All actions taken by the Authorized Representatives and the other officers, agents and employees of the City pursuant to or anticipation of the adoption of this Resolution but prior to its effective date are hereby ratified, confirmed and approved.

**Section 7. Effective date.** This Resolution shall take effect immediately upon its adoption.

**ADOPTED BY THE CITY COUNCIL JUNE 20, 2011.**

  
Debbie Klosowski, Mayor

ATTEST:

  
Emily Genetia, City Clerk