

POULSBO DISTRIBUTION SCHEDULE

ORDINANCE NO. 2010-09

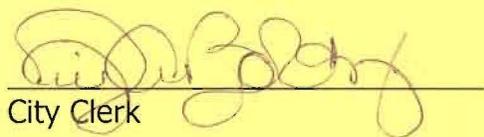
**SUBJECT: Acquisition of Real Property and Execution of Local Agency Financing
(Parks and Recreation Building)**

CONFORM AS TO DATES & SIGNATURES

- (X) Filed with the City Clerk: 03/31/2010
- (X) Passed by the City Council: 04/07/2010
- (X) Signature of Mayor
- (X) Signature of City Clerk
- (X) Publication: 04/16/2010
- (X) Effective: 04/21/2010
- () Recorded: N/A

DISTRIBUTED COPIES AS FOLLOWS:

- (X) NK Herald: Emailed by jb
- (1) Ordinance Book (copy)
- (X) Code Publishing - via email if in electronic format
- () City Attorney
- () Civil Service Commission and/or Sec/Chief Examiner
- () Clerk's Department:
- () City Council
- () Finance:
- (X) Posted to Library Drive



City Clerk

April 13, 2010
Date

ORDINANCE NO. 2010-09

AN ORDINANCE OF THE CITY OF POULSBO, WASHINGTON, AUTHORIZING THE ACQUISITION OF REAL PROPERTY AND EXECUTION OF A LOCAL AGENCY FINANCING LEASE AND RELATED DOCUMENTATION RELATING TO THE ACQUISITION OF SAID REAL PROPERTY.

WHEREAS, the City of Poulsbo (the "Local Agency") has executed a Notice of Intent to the Office of State Treasurer, in the form attached hereto as Annex 1 (the "NOI"), in relation to the acquisition of and the financing of the acquisition, improvement and betterment (collectively, the "acquisition") of the Property, as defined below, under the provisions of RCW ch 39.94; and

WHEREAS, it is deemed necessary and advisable by the City Council of the Local Agency that the Local Agency acquire the real property identified on Annex 1 attached hereto ("Property"); and

WHEREAS, it is deemed necessary and advisable by the City Council of the Local Agency that the Local Agency enter into a Local Agency Site Lease with the Washington Finance Officers Association in the form attached hereto as Annex 2 to facilitate the financing of the Property;

WHEREAS, it is deemed necessary and advisable by the City Council of the Local Agency that the Local Agency enter into a Local Agency Financing Lease with the Office of the State Treasurer, in the form attached hereto as Annex 3 (the "Local Agency Financing Lease"), in an amount not to exceed \$300,000, **plus related financing costs**, in order to acquire the Property, and finance the acquisition of the Property;

WHEREAS, the Local Agency will undertake to acquire and/or improve the Property on behalf of and as agent of the Washington Finance Officers Association (the "Corporation") pursuant to the terms of the Local Agency Financing Lease, and in accordance with all applicable purchasing statutes and regulations applicable to the Local Agency; and

WHEREAS, the Local Agency desires to appoint the individuals set forth in Annex 4 as the representatives of the Local Agency in connection with the acquisition of the Property and execution of the Local Agency Financing Lease (each an "Authorized Agency Representative");

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

Section 1. The individuals holding the offices or positions set forth in Annex 4 are each hereby appointed as a representative of the Local Agency in connection with the acquisition of the Property and execution of the Local Agency Financing Lease and all other related documents. A minimum of one (1) Authorized Agency Representatives shall be required to execute any one document in order for it to be considered duly executed on behalf of the Local Agency.

Section 2. The form of the Local Agency Site Lease attached hereto as Annex 2 is hereby approved and the Authorized Agency Representatives are hereby authorized and directed to execute and deliver the Local Agency Site Lease, in substantially the form attached hereto with such changes as may be approved by the Authorized Representatives, to facilitate the acquisition and/or improvement of the Property and financing of the acquisition of the property.

Section 3. The form of the Local Agency Financing Lease attached hereto as Annex 3 is hereby approved and the Authorized Agency Representatives are hereby authorized and directed to execute and deliver the Local Agency Financing Lease, in an amount not to exceed \$300,000, **plus related financing costs**, and in substantially the form attached hereto with such changes as may be approved by the Authorized Representatives, for the acquisition of the property and financing of the acquisition of the Property.

Section 4. The Local Agency hereby authorizes the acquisition of the property as agent of the Corporation in accordance with the terms and provisions of the Local Agency Financing Lease.

Section 5. The Authorized Representatives are hereby authorized to execute and deliver to the Office of State Treasurer all other documents, agreements and certificates, and to take all other action, which they deem necessary or appropriate in connection with the financing of the property, including, but not limited to, any amendment to the NOI, any tax certificate and any agreements relating to initial and ongoing disclosure in connection with the offering of securities related to the financing.

Section 6. This ordinance shall take effect and be in force from and after its passage and five days following its publication as required by law.

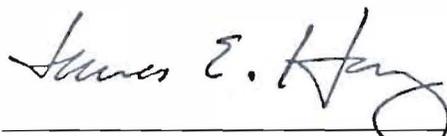
PASSED by the City Council of Washington, at a regular meeting thereof held this 7th day of April, 2010.


REBECCA ERICKSON, MAYOR

ATTEST:


JILL A. BOLTZ, CITY CLERK

APPROVED AS TO FORM:


JAMES HANEY, CITY ATTORNEY

FILED WITH THE CITY CLERK: 03/31/2010
PASSED BY THE CITY COUNCIL: 04/07/2010
PUBLISHED: 04/16/2010
EFFECTIVE DATE: 04/21/2010
ORDINANCE NO. 2010-09

SUMMARY OF ORDINANCE NO. 2010-09

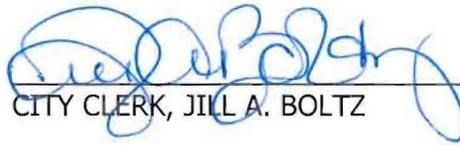
of the City of Poulsbo, Washington

On the 7th day of April, 2010, the City Council of the City of Poulsbo passed Ordinance No. 2010-09. A summary of the content of said ordinance, consisting of the title, provides as follows:

AN ORDINANCE OF THE CITY OF POULSBO, WASHINGTON, AUTHORIZING THE ACQUISITION OF REAL PROPERTY AND EXECUTION OF A LOCAL AGENCY FINANCING LEASE AND RELATED DOCUMENTATION RELATING TO THE ACQUISITION OF SAID REAL PROPERTY.

The full text of this Ordinance will be mailed upon request.

DATED this 12th day of April, 2010.


CITY CLERK, JILL A. BOLTZ

Notice of Intent

State of Washington LOCAL (Local Option Capital Asset Lending)

Local Government Information

County: **Kitsap**

Legal Name: **City of Poulsbo**

MCAG No.: **0457**

Contact Person: **Deborah Booher**

Title: **Finance Director**

Address: **19050 Jensen Way NE, Poulsbo Washington**

Zip: **98370**

Phone: **360.779.3901**

Fax: **360.779.5112**

E-mail: **dbooher@cityofpoulsbo.com**

Would you prefer to receive financing documents (check one): Already have financing documents

MS Word 6.0 by e-mail

3.5" disk – Word 97 by U.S. mail

Hard copy by U.S. mail

Property (Real Estate or Equipment)

Property description (include quantity, if applicable): **15,211 sq ft, 3 story Park and Recreation Bldg**

Total cost: **\$515,000** Maximum amount to finance: **\$ 300,000**

Finance term: **20 Year** Useful life: **50 Year** Desired financing date: **ASAP**

Purpose of property (Please be specific and include dept. of use):

70% for Park and Recreation Facility and 30% private lease

If **real estate**, the Real Estate Worksheet: Is attached Will be provided by (date) _ _

If **equipment**, will the property purchase price be paid with: program proceeds or general funds to be reimbursed from program proceeds? If general funds are to be used, include a copy of the local agency's reimbursement resolution with the financing documents.

Security Pledge

Voted general obligation of local government.. Non-voted general obligation of local government

Other Information

Approximate population: _ _ (not required for cities and counties).

If any of the following apply, please provide a complete discussion on a separate page:

Yes No Does the local government use registered warrants, interfund loans or other cash flow borrowing?

Yes No Is the local government a party to significant litigation? A prior Police Detective has filed a claim against the City, but AWC Risk Insurance Pool is handling the case.

Yes No Is this a reimbursement? If yes, date funds spent – funds have not been expended yet, but a reimbursement resolution has been passed in anticipation of settling the Purchase and Sell Agreement and funds being disbursed at that time. _

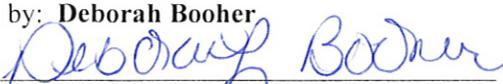
We are not required to submit the Credit Form because _ _

Does local government have a bond rating? Yes No Bond rating(s): **AA**
(attach rating agency letter)

By executing this Notice of Intent, the local agency acknowledges, agrees to and accepts its designation and appointment as the agent of the nominal lessor in connection with the acquisition of the project. By executing this Notice of Intent, the local agency further acknowledges and agrees that certificate counsel and any other special counsel to the state in connection with the authorization, issuance and delivery of the certificates and the related financing documents shall not be acting, and shall not be deemed to act, as counsel to the local agency, nor shall any attorney-client relationship exist or be deemed to exist between such counsel and any participating local agency in connection with such matters.

Submitted by: **Deborah Booher**

Title: **Finance Director**

Signature:  Date: **October 30**, 2009

Real Estate Worksheet

LOCAL Program

(3 pages)

General

Common name of property/building: **Park & Recreation Bldg**

Address of property/building: **19540 Front Street NE
Poulsbo, WA 98370**

Agency contact re: real estate/construction: **Barry Loveless, Public Works Director**

Agency contact re: financing: **Deborah Booher, Finance Director**

Expected interim financing provider: **City's Revenue Stabilization Fund**

Timing

If acquisition, what is target acquisition date? **November 4, 2009**

If construction, what is expected timing?

Bid date: _____

Construction start: _____

Construction completion: _____

Estimated Project Budget**

Please provide an estimated project budget as follows. All soft costs should be identified.

Acquisition price	520,105
Acquisition costs (provide detail)	0
Title insurance	1,500
Phase I	0
Other ___ Loan Defeasance ___	2,000
Other _____	1,500
Construction Costs	0
Contract price	0
Architect/Engineer	0
Other ___ Building Repairs ___	65,000
Other _____	0
Total project cost	590,105
Amount paid by agency	290,105
Total amount to borrow	300,000

** Include only costs to be incurred by the agency. All costs relating to the LOCAL Program financing will be estimated and provided by the Office of the State Treasurer.

Required Information and Documentation

- 1) Please provide a copy of the **legal description** of the property to OST, who will provide a copy to certificate counsel as well.

FJORD GARDENS (LOT B CITY OF POULSBO SHORT PLAT RECORDED UNDER AUDITOR NUMBER 8702060120, P-38) THAT PORTION OF LOT 2, PLAT OF FJORD GARDENS , PER VOLUME 24 OF PLATS, PAGES 67, 68 AND 69 OF KITSAP COUNTY, WASHINGTON LYING SOUTHERLY OF THE FOLLOWING DESCRIBED LINE: COMMENCING AT THE NORTHEAST CORNER OF ABOVE SAID LOT 2, THENCE ALONG THE EASTERLY LINE OF SAID LOT ON THE FOLLOWING THREE COURSES: S01*34'08 W 85.00 FEET; THENCE N88*25'52 W 10.52 FEET; THENCE S01*13'05 W 318.09 FEET TO THE TRUE POINT OF BEGINNING; THENCE N88*22'44 W 71.70 FEET; THENCE S01*37'16 W 55.00 FEET; THENCE N88*22'44 W 100.67 FEET; THENCE N00*17'07 W 92.68 FEET TO THE POINT OF CURVATURE OF A 30 FOOT RADIUS CURVE TO THE LEFT; THENCE NORTHWESTERLY ON SAID CURVE, HAVING A CENTRAL ANGLE OF 46*16'56 , FOR AN ARC DISTANCE OF 24.23 FEET TO POINT OF TANGENCY; THENCE N46*34'03 W 81.70 FEET TO POINT ON THE WEST LINE OF SAID LOT 2 AND THE TERMINUS.

- 2) Has a title report or preliminary commitment for **title insurance** been obtained? Yes
No

If so, please provide a copy to OST

- 3) Has a Phase 1 **environmental review** been performed? Yes No
If not, why not? If so, were there any items that indicated the need for a Phase 2 review?

- 4) Is the agency seeking:

Reimbursement through the LOCAL Program? Yes No

If so, a Reimbursement Resolution must be completed and provided to OST as soon as possible.

Describe the source of funds being reimbursed.

Revenue Stabilization and Park Reserves is being used to purchase the building. They will then be used to reimburse the reserves for this share of the purchase.

Refinancing through the LOCAL Program? Yes No

If so, please provide a copy of the existing financing contract to OST.

Financing Structure and Terms

Amount to be financed **\$300,000**

Desired length of financing **20 Years**

First payment date desired **June 1, 2009**
(All payments are due on June 1 and December 1 of each year)

Final payment date **December 1, 2029**

Repayment source **Recreation Fees and Lease payments**
(i.e. voted levy, revenues, savings from payment reductions)

Use of Land or Building

- 1) What is the size of the building (square feet)? **15,211 square feet**
- 2) What is the intended use of the building? **70% for Park and Recreation Facility and 30% private lease**
- 3) Is the property to be acquired currently occupied by any agency of the State, or any local government agencies? **Currently, the building is 70% occupied by the Park & Recreation Department of the City. They have been in the building for 15 years.**
- 4) Is the property currently occupied by any private or federal government tenants (including non profits)? If so, are any private or federal government tenant leases expected to continue? **The other 30% of the bldg had been occupied by County services however, due to budget restraints they had to move out. The City is attempting to find another agency and/or non-profit. However, it will be open for private lease in order to fill the vacancy and provide the revenue stream.**
- 5) For any private or federal government leases that are expected to continue, please provide the following for EACH tenant: **N/A**

Business/agency use

Ending date of lease term _____

Terms of any renewal options _____

Periodic lease payments _____ (monthly) (annually)

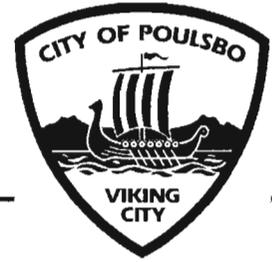
Square footage occupied _____

Intended use of property by the agency _____

- 6) Any leases that are expected to continue must be assigned to the local agency. Also, for any private tenants, estoppels must be provided, and all security deposits and prepaid rents should be transferred to the agency.
- 7) Does the agency expect to enter into ANY type of management agreements, service contracts or other business arrangements relating to the property with any other parties? **No**

City of Poulsbo

Deb Booher, Finance Director



To: Lindsay A. Fisher
Attorney
FOSTER PEPPER PLLC
1111 Third Avenue, Suite 3400
Seattle, WA 98101-3299 Public Disclosure Commission

From: City of Poulsbo
Deborah Booher, Finance Director
PO Box 98
Poulsbo, WA 98370
dbooher@cityofpoulsbo.com

Please find attached the signed documents you sent to us. Let me know if you need anything further.

Thanks for following up with us.

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name City of Poulsbo, Washington		2 Issuer's employer identification number (EIN) 91 6001488	
3 Number and street (or P.O. box if mail is not delivered to street address) Room/suite 19050 Jensen Way NE, P.O. Box 98		4 Report number (For IRS Use Only) 3	
5 City, town, or post office, state, and ZIP code Poulsbo, Washington 98370		6 Date of issue 07/22/2010	
7 Name of issue Limited Tax General Obligation Bond Anticipation Note, 2010		8 CUSIP number N/A	
9 Name and title of officer of the issuer or other person whom the IRS may call for more information Debbie Booher, Finance Director		10 Telephone number of officer or other person (425) 486-3256	

Part II Type of Issue (enter the issue price) See instructions and attach schedule

11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ► City Hall	18	2,000,000	
19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/>			
If obligations are BANs, check only box 19b <input checked="" type="checkbox"/>			
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>			

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	4/19/2011	\$ 2,000,000	\$ 2,000,000	0.74247 years	VR %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

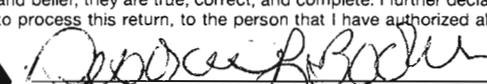
22 Proceeds used for accrued interest	22	0
23 Issue price of entire issue (enter amount from line 21, column (b))	23	2,000,000
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	0
25 Proceeds used for credit enhancement	25	0
26 Proceeds allocated to reasonably required reserve or replacement fund	26	0
27 Proceeds used to currently refund prior issues	27	0
28 Proceeds used to advance refund prior issues	28	0
29 Total (add lines 24 through 28)	29	0
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	2,000,000

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	►	--	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	►	--	years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	►	--	
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	►	--	

Part VI Miscellaneous

- | | | | |
|--|------------|----|-------------------------------------|
| 35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) | 35 | -- | |
| 36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) | 36a | -- | |
| b Enter the final maturity date of the GIC ▶ _____ | | | |
| 37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units | 37a | -- | |
| b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer ▶ _____ and the date of the issue ▶ _____ | | | |
| 38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box | | | <input checked="" type="checkbox"/> |
| 39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box | | | <input type="checkbox"/> |
| 40 If the issuer has identified a hedge, check box | | | <input type="checkbox"/> |

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.		
	 Signature of issuer's authorized representative	8/6/10 Date	Debbie Boohar, Finance Director Type or print name and title
Paid Preparer's Use Only	Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours if self-employed), address, and ZIP code ▶	EIN	Preparer's SSN or PTIN
	Foster Pepper PLLC 1111 Third Avenue, Ste 3400, Seattle, WA 98101	91	0606972
		Phone no. (206)	447-4400

SUPPLEMENTAL TAX EXEMPTION AND NONARBITRAGE CERTIFICATE

I, the undersigned, on behalf of the City of Poulsbo, Washington (the "City"), certify as follows:

I am the duly appointed and acting Finance Director of the City and, as such, am an officer of the City responsible, together with others, for issuing the City's Limited Tax General Obligation Bond Anticipation Note, 2010 (the "Note"), in the principal amount of not to exceed \$2,000,000. The City is able to draw down on the principal of the Note from time to time. The Note was dated and delivered to the initial purchaser thereof on April, 19 2010 (the "delivery date"). On the date hereof (the "issue date"), the City made a draw on the Note that caused the aggregate principal drawn thereunder to exceed the lesser of \$50,000 or 5% of the issue price of the Note.

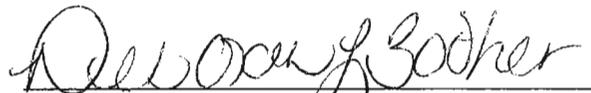
This certificate is executed to establish the facts, estimates and circumstances in existence on the issue date and the bona fide reasonable expectations of the City on the issue date as to future events in connection with the Note for the purposes of the applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable Treasury Regulations under Sections 103 and 148-150 of the Code.

To the best of my knowledge, information and belief, the expectations with respect to the Note set forth in the Tax Exemption and Nonarbitrage Certificate of the City relating to the Note, dated as of the delivery date, remain the expectations of the City on the issue date, and the expectations of the City on the issue date about future events in connection with the Note are reasonable.

DATED as of July 22, 2010.

CITY OF POULSBO, WASHINGTON

By



Deborah Booher, Finance Director

RECEIPT FOR FIRST LOAN DRAW

The City of Poulsbo, Washington (the "City"), acknowledges receipt this day from KeyBank National Association of \$400,000 as the proceeds of a first draw in the amount of \$400,000 on the City's \$2,000,000 par value Limited Tax General Obligation Bond Anticipation Note, 2010, dated April 19, 2010.

DATED: July 22, 2010



Deborah Booher, Finance Director