

# COMMISSION AGENDA

Item No: 7A

Meeting: 2/18/21

**DATE:** February 18, 2021

**TO:** Port Commission

**FROM:** Eric Johnson, Executive Director  
Sponsor: Erin Galeno, Chief Financial Officer  
Project Manager: Josh Adams, Deputy Treasurer

**SUBJECT:** Consider Resolution 2021-04-PT authorizing a refunding bond in the amount not to exceed \$18,075,000.

## **A. ACTION REQUESTED**

Adopt Resolution 2021-04-PT, authorizing the sale and issuance of limited tax general obligation refunding bonds of the Port in the aggregate principal amount of not to exceed \$18,075,000; and authorizing the Designated Port Representative to approve certain matters relating to the bonds including the manner of sale of the bonds; execution of all documents and actions necessary to sell and deliver the bonds and implement a plan of refunding.

## **B. BACKGROUND**

- Resolution 2007-17 authorized issuance of \$109,535,000 par value 2008A Limited Tax General Obligation bonds.
- The bonds were originally issued in 2008 and carried a fixed coupon rate of 5.0%.
- Resolution 2015-22 authorized issuance of up to \$30,000,000 par value 2016 GO Limited Tax General Obligation bonds to refund portions of the 2008A bonds
- The 2016 Limited Tax General Obligation bonds were purchased by Zion's bank directly and carried a rate of 2.17%
- Current market conditions permit refunding portions of this bond that will result in savings. We estimate the new rate to be approximately 1% including all refunding costs.

## **C. PREAUTHORIZATION**

- Due to current period of very low fixed rate interest rates, authorizes staff in advance to execute refunding which will result in lower costs due to the current low rates.
- Limit refunding bonds to no more than \$18,075,000, the current amount of outstanding bonds.
- Refunding bonds may be non-callable, and carry the same maturity structure as the existing bonds.
- Invitation To Bid for a Direct Purchase by a bank will be issued to approximately 20 banks.
- Port will review bank responses with our external financial advisor, PFM Financial Advisors (PFMFA), to identify the bid offering the best value and lowest risk to the Port.

**D. FISCAL IMPACT**

Commission is pre-approving a refunding of general obligation debt. Savings realized by the Port will depend on short term interest rates. At current interest rates, the Port will achieve greater than 3% savings on the refunded bonds, equating to approximately \$100,000 per year in debt service payment savings.

A risk associated with all refundings is that rates could go lower in the future, resulting in more savings than if staff execute the refunding now. Alternatively, rates could increase and the Port could forgo savings that will be captured now.

**E. CONCLUSION**

Adopt Resolution 2021-04-PT, authorizing the sale and issuance of limited tax general obligation refunding bonds of the Port in the aggregate principal amount of not to exceed \$18,075,000; and authorizing the Designated Port Representative to approve certain matters relating to the bonds including the manner of sale of the bonds; execution of all documents and actions necessary to sell and deliver the bonds and implement a plan of refunding.

Staff will report back to Commission the final terms and savings of the refunding upon completion.

PORT OF TACOMA

RESOLUTION NO. 2021-04-PT

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF TACOMA, AUTHORIZING THE SALE AND ISSUANCE OF LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS OF THE PORT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$18,075,000; AND AUTHORIZING THE DESIGNATED PORT REPRESENTATIVE TO APPROVE CERTAIN MATTERS RELATING TO THE BONDS INCLUDING THE SALE OF THE BONDS, EXECUTION OF ALL DOCUMENTS AND ACTIONS NECESSARY TO SELL AND DELIVER THE BONDS AND IMPLEMENT A PLAN OF REFUNDING.

ADOPTED: FEBRUARY 18, 2021

Prepared By:

K&L GATES LLP  
Seattle, Washington

**PORT OF TACOMA  
RESOLUTION NO. 2021-04-PT  
TABLE OF CONTENTS\***

	<u>Page</u>
Section 1. Definitions.....	2
Section 2. Authorization of Bonds; Description of Bonds .....	5
Section 3. Registration, Payment and Transfer.....	6
Section 4. Prepayment .....	6
Section 5. Form of Bonds .....	7
Section 6. Execution of Bonds.....	9
Section 7. Defeasance .....	10
Section 8. Application of Bond Proceeds; Refunding Plan .....	10
Section 9. Tax Covenants .....	11
Section 10. Bond Fund and Provision for Tax Levy Payments.....	12
Section 11. Sale of Bonds .....	12
Section 12. No Undertaking to Provide Ongoing Disclosure.....	14
Section 13. Lost, Stolen or Destroyed Bonds .....	14
Section 14. Resolution and Laws a Contract with the Bank.....	14
Section 15. Severability .....	15
Section 16. Effective Date .....	15

---

\* This table of contents and the cover page are for convenience of reference and are not intended to be a part of this Resolution.

RESOLUTION NO. 2021-04-PT

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF TACOMA, AUTHORIZING THE SALE AND ISSUANCE OF LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS OF THE PORT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$18,075,000; AND AUTHORIZING THE DESIGNATED PORT REPRESENTATIVE TO APPROVE CERTAIN MATTERS RELATING TO THE BONDS INCLUDING THE SALE OF THE BONDS, EXECUTION OF ALL DOCUMENTS AND ACTIONS NECESSARY TO SELL AND DELIVER THE BONDS AND IMPLEMENT A PLAN OF REFUNDING.

WHEREAS, the Port of Tacoma (the “Port”), owns and operates a system of marine terminals operated through the Northwest Seaport Alliance and other internally owned and operated properties; and

WHEREAS, the Port is authorized by RCW 53.36.030 and ch. 39.46 RCW to borrow money and issue general obligation bonds payable from, *inter alia*, regular tax levies of the Port; and

WHEREAS, the Port has issued its Limited Tax General Obligation Refunding Bonds, 2016 (Non-AMT) under date of February 25, 2016, pursuant to Resolution No. 2015-11 (the “2016 Bond Resolution”), in the original principal amount of \$26,384,000, which remain outstanding as follows:

Maturity Year (December 1)	Principal Amounts	Interest Rates
2021	\$3,483,000	1.66%
2022	3,540,000	1.86
2023	3,606,000	2.07
2024	3,683,000	2.23
2025	3,763,000	2.36

(the “2016 Bonds”); and

WHEREAS, the 2016 Bonds are subject to redemption at the option of the Port, in whole or in part, and if in part, with maturities to be selected by the Port at the price of par, plus accrued interest to the date fixed for redemption; and

WHEREAS, the Commission has been advised that a lower interest rate may be available by refunding all or a portion of the 2016 Bonds (the “Refunded Bonds”) through the issuance of limited tax general obligation refunding bonds of the Port in the aggregate principal amount of not to exceed \$18,075,000 (the “Bonds”); and

WHEREAS, in order to provide the funds required for such purpose, the Port now desires to authorize the issuance of the Bonds; and

WHEREAS, this Commission has determined to delegate authority to the Port’s Chief Executive Officer of the Port or the Chief Financial and Administrative Officer (each, a “Designated Port Representative”) to select all or a portion of the outstanding 2016 Bonds for refunding, to select a financial institution as the purchaser of the Bonds (the “Bank”), approve the final principal amounts, interest rate or rates, maturity date or dates, redemption rights, interest payment dates, and other terms and conditions of such Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF TACOMA, as follows:

Section 1.     Definitions. As used in this resolution, the following words shall have the following meanings:

***Acquired Obligations*** means the noncallable Government Obligations, if any, acquired now or hereafter acquired by the Port under the terms of this resolution and the Escrow Agreement, if any, to effect the defeasance and refunding of all or a portion of the Refunded Bonds.

***Bank*** means the initial purchasing entity or bank(s) of the Bonds, and any business successor thereto, as selected pursuant to Section 11 hereof.

**Bond Fund** means the “Port of Tacoma Limited Tax General Obligation Bond Redemption Fund” created or continued in the office of the Treasurer of the Port by Section 10 of this resolution.

**Bond Register** means the registration books maintained by the Bond Registrar showing the name, address and tax identification number of each registered owner of the Bonds, maintained pursuant to Section 149(a) of the Code.

**Bond Registrar** initially, means the Treasurer. At any time following the issuance of the Bonds, however, the Treasurer may determine to appoint a different Bond Registrar, including, but not limited to the fiscal agency of the State of Washington. The term **Bond Registrar** also shall include any successor Bond Registrar appointed by the Treasurer as permitted by law.

**Bonds** mean the Port of Tacoma, Washington, Limited Tax General Obligation Refunding Bond[s], 2021 (Non-AMT), in the principal amount of not to exceed \$18,075,000, issued pursuant to this resolution.

**Call Date** means the date fixed for redemption of the Refunded Bonds by the Designated Port Representative in accordance with the 2016 Bond Resolution.

**Closing Date** means the date of issuance and delivery of the Bonds to the Bank.

**Code** means the Internal Revenue Code of 1986, as amended, and shall include all applicable regulations and rulings relating thereto.

**Commission** means the Port Commission, as general legislative authority of the Port as the same shall be duly and regularly constituted from time to time.

**Costs of Issuance Agreement** means the agreement of that name, if any, to be entered into by and between the Port and the Escrow Agent, providing for the payment of certain costs of issuance with respect to the issuance of the Bonds.

**Designated Port Representative** means the Chief Executive Officer of the Port or the Chief Financial and Administrative Officer of the Port (or the successor in function to such person(s)) and any other person appointed in writing by either of them.

**Escrow Agent** means U.S. Bank National Association, if an escrow agent is determined to be necessary or appropriate by the Designated Port Representative.

**Escrow Agreement** means the Escrow Deposit Agreement, if any, between the Port and the Escrow Agent dated as of the date of the closing and delivery of the Bonds authorized to be executed pursuant to Section 8 of this resolution.

**Federal Tax Certificate** means the certificate of that name executed and delivered by the Port at the time of issuance and delivery of the Bonds.

**Financial Advisor** means PFM Financial Advisors LLC, Seattle, Washington.

**Government Obligations** has the meaning given such term in RCW Ch. 39.53, as now or hereafter amended.

**Interest Rate** means the rate(s) specified in the Term Sheet.

**Port** means the Port of Tacoma, a municipal corporation of the State of Washington, as now or hereafter constituted, or the corporation, authority, board, body, commission, department or officer succeeding to the principal functions of the Port or to whom the powers vested in the Port shall be given by law.

**Refunded Bonds** means all or a portion of the outstanding 2016 Bonds selected by the Designated Port Representative for refunding pursuant to Section 8 of this resolution.

**Term Sheet** means the commitment letter or proposal submitted for the Bonds to the Port to purchase the Bonds as approved by the Designated Port Representative pursuant to Section 11 of this resolution and may include a separate agreement, at the option of and approved by the Designated Port Representative.



*Treasurer* means the Treasurer of the Port or any successor to the function of the Treasurer.

*2016 Bond Resolution* means Resolution No. 2015-11 of the Commission.

*2016 Bonds* mean the Port of Tacoma Limited Tax General Obligation Refunding Bonds, 2016 (Non-AMT) issued under date of February 25, 2016, as more particularly described in the recitals of this resolution.

**Rules of Interpretation.** In this resolution, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this resolution, refer to this resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this resolution;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(d) Any headings preceding the text of the several articles and Sections of this resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this resolution, nor shall they affect its meaning, construction or effect;

(e) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

**Section 2. Authorization of Bonds; Description of Bonds.** For the purpose of refunding all or a portion of the outstanding 2016 Bonds, the Port hereby authorizes the issuance

of the Bonds in the aggregate principal amount of not to exceed \$18,075,000. The Bonds shall be designated as the “Port of Tacoma, Limited Tax General Obligation Refunding Bond[s], 2021 (Non-AMT),” with additional designations as requested (the “Bonds”), shall be dated as of the Closing Date, shall be registered as to both principal and interest, may be issued as a single Bond or Bonds with different maturities may be numbered separately in the manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification, shall be dated and bear interest at the per annum rates, payable on the dates and maturing in principal amounts set forth in the Term Sheet, pursuant to Section 11 of this resolution.

Section 3. Registration, Payment and Transfer. The Treasurer shall act as the initial Bond Registrar. The duties of the Bond Registrar hereunder shall be limited to authenticating the Bonds and to remitting money to the Bank on the payment dates as provided therein. The Bonds shall not be transferable, except in whole to a financial institution. The Treasurer may determine at any time that he or she no longer wishes to act as Bond Registrar and thereupon may appoint a successor Bond Registrar, which may or may not be the fiscal agent of the State of Washington. The Bond Registrar is authorized, on behalf of the Port, to authenticate and deliver the Bonds and to carry out all of the Bond Registrar’s powers and duties under this resolution.

Principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Installments of principal of and interest on the Bonds shall be paid by check, wire, or electronic transfer on the date due to the Bank; *provided, however*, that upon payment of the final installment of principal on the Bonds, the Bank shall present and surrender the Bonds to the Bond Registrar for cancellation.

Section 4. Prepayment. The Bonds may be subject to prepayment in accordance with the terms set forth in the Term Sheet and in the Bonds.

Section 5. Form of Bonds. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. R-1

\$ \_\_\_\_\_

STATE OF WASHINGTON

PORT OF TACOMA

LIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 2021 (NON-AMT)

INTEREST RATE: \_\_\_\_\_ %

MATURITY DATE: \_\_\_\_\_

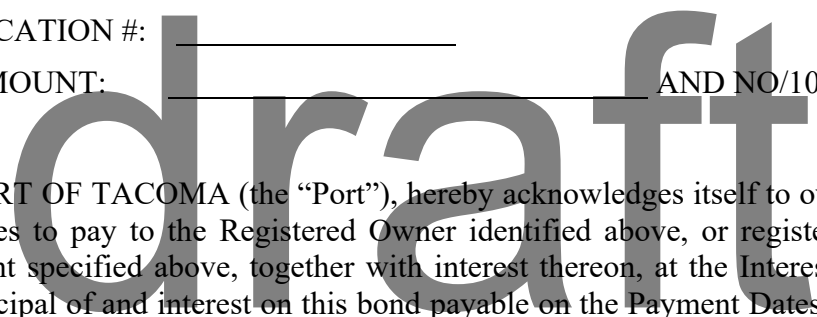
REGISTERED OWNER: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

TAX IDENTIFICATION #: \_\_\_\_\_

PRINCIPAL AMOUNT: \_\_\_\_\_ AND NO/100 DOLLARS



THE PORT OF TACOMA (the “Port”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount specified above, together with interest thereon, at the Interest Rate specified above, with principal of and interest on this bond payable on the Payment Dates as shown in the Amortization Schedule, in the amounts determined as provided in Resolution No. 2021-\_\_-PT of the Port Commission (the “Bond Resolution”). Interest on the bonds of this issue shall be calculated on the basis of a [360-day year and twelve 30-day months][365 day year and actual days elapsed][360 day year and actual days elapsed]. Principal of and interest on this bond shall be repaid in installments as set forth below:

AMORTIZATION SCHEDULE

<u>Payment Date</u>	<u>Principal Amount</u>	<u>Interest</u>	<u>Total</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

The principal of, premium, if any, and interest on this bond are payable in lawful money of the United States of America. Installments of the principal of and interest on this bond shall be paid by check, wire or electronic transfer by the Treasurer of the Port (the “Bond Registrar”) on the date due to the registered owner or nominee at the address appearing on the Bond Register. Upon final payment of all installments of principal and interest thereon, the Registered Owner shall present and surrender this bond at the principal office of the Bond Registrar for cancellation.

This bond is issued pursuant to the Bond Resolution to provide funds to refund the Port's outstanding Limited Tax General Obligation Refunding Bonds, 2016 (Non-AMT). Capitalized terms appearing on this bond and not otherwise defined herein shall have the meanings given such terms in the Bond Resolution.

This bond may be prepaid as provided in the Bond Resolution and the Term Sheet.

This bond is [not] transferable, except [describe transfer restrictions].

This bond is not a "private activity bond" as such term is defined in the Internal Revenue Code of 1986, as amended (the "Code"). The Port has not designated this bond as a "qualified tax-exempt obligation" under Section 265(b) of the Code for investment by financial institutions.

The Port hereby irrevocably covenants that it will levy taxes annually upon all the taxable property in the Port within the levy limits permitted to the Port without a vote of the electors and in amounts sufficient, with other monies legally available therefor, to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and resources of the Port are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest. The pledge of tax levies may be discharged prior to maturity of the bond by making provision for the payment thereof on the terms and conditions set forth in the Bond Resolution.

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

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

IN WITNESS WHEREOF, the Port of Tacoma has caused this bond to be executed by the manual or facsimile signatures of the President and Secretary of the Port Commission and the seal of the Port imprinted, impressed or otherwise reproduced hereon as of this \_\_\_ day of \_\_\_\_\_, 2021.

[SEAL]

PORT OF TACOMA

By           /s/ facsimile or manual            
President of the Port Commission

ATTEST:

By           /s/ facsimile or manual            
Secretary of the Port Commission

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

CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_

This bond is described in the within-mentioned Bond Resolution and is the Limited Tax General Obligation Refunding Bond, 2021 (Non-AMT), of the Port of Tacoma, dated \_\_\_\_\_, 2021.

TREASURER OF THE PORT OF  
TACOMA, Bond Registrar

By \_\_\_\_\_  
Treasurer

Section 6. Execution of Bonds. The Bonds shall be executed on behalf of the Port with the manual or facsimile signature of the President of the Commission and attested by the manual or facsimile signature of the Secretary of the Commission, and the seal of the Port shall be impressed, imprinted or otherwise reproduced thereon.

Only such Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution. 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 resolution.

In case either of the officers who shall have executed the Bonds shall cease to be officer or officers of the Port before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the Port, such Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the Port

as though those who signed the same had continued to be such officers of the Port. Any Bond may also be signed and attested on behalf of the Port by such persons who are at the actual date of delivery of such Bond the proper officers of the Port although at the original date of such Bond any such person shall not have been such officer of the Port.

Section 7. Defeasance. In the event that money and/or Government Obligations that are direct obligations of the United States or obligations unconditionally guaranteed by the United States, maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire part or all of the Bonds authorized hereunder in accordance with their terms, are set aside in a special account of the Port to effect such redemption and retirement, and such moneys and the principal of and interest on such obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund of the Port for the payment of the principal of and interest on the Bonds so provided for, and such Bonds shall cease to be entitled to any lien, benefit or security of this resolution except the right to receive the moneys so set aside and pledged, and except the right to receive the moneys so set aside and pledged, such Bonds shall be deemed not to be outstanding hereunder.

Section 8. Application of Bond Proceeds; Refunding Plan.

(a) *Application of Bond Proceeds.* The net proceeds of the Bonds, together with other available funds of the Port, if any, in the amount specified by the Designated Port Representative, shall be held by the Port, if any, in the amount specified by the Designated Port Representative and used to pay and redeem the Refunded Bonds, or shall be placed into the escrow account pursuant to the terms of the Escrow Agreement to effect a defeasance of the Refunded Bonds.

(b) *Defeasance of Refunded Bonds.* If the Designated Port Representative determines to defease all or a portion of the outstanding 2016 Bonds, the proceeds of the Bonds so deposited

shall, subject to and in accordance with the 2016 Bond Resolution authorizing the issuance of the 2016 Bonds, be utilized upon receipt thereof to pay and redeem Refunded Bonds and/or or may be used to purchase the Government Obligations specified by the Designated Port Representative (the “Acquired Obligations”) and to maintain such necessary beginning cash balance to defease the Refunded Bonds and to discharge the other obligations of the Port relating thereto under the 2016 Bond Resolution, by providing for the payment of the interest on the Refunded Bonds to the date fixed for redemption (the “Call Date”) and the redemption price (the principal amount plus any premium required) on the date fixed for redemption of the Refunded Bonds. Subject to compliance with all conditions set forth in the 2016 Bond Resolution, when the final transfers have been made for the payment of such redemption price and interest on the Refunded Bonds, any balance then remaining shall be transferred to the account designated by the Port and used for the purposes specified by the Designated Port Representative.

(c) *Acquired Obligations.* The Acquired Obligations, if any, shall be payable in such amounts and at such times that, together with any necessary beginning cash balance, will be sufficient to provide for the payment of:

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

(2) the price of redemption of the Refunded Bonds on the Call Date.

(d) *Appointing an Escrow Agent.* If the Designated Port Representative determines to utilize the services of an Escrow Agent, the Commission hereby approves the appointment of U.S. Bank National Association to act as Escrow Agent for the Refunded Bonds (the “Escrow Agent”).

#### Section 9. Tax Covenants.

(a) *Arbitrage Covenant.* The Port covenants that it will not take or permit to be taken on its behalf any action that would adversely affect the exclusion from gross income for federal

income tax purposes of the interest on the Bonds and will take or require to be taken such acts as may reasonably be within its ability and as may from time to time be required under applicable law to continue the exclusion from gross income for federal income tax purposes of the interest on the Bonds. The Port shall comply with its covenants set forth in the Federal Tax Certificate.

(b) *No Designation under Section 265(b)*. The Port has not designated the Bonds as “qualified tax-exempt obligations” for investment by financial institutions under Section 265(b)(3) of the Code.

Section 10. Bond Fund and Provision for Tax Levy Payments. A special fund of the Port known as the “Port of Tacoma General Obligation Bond Redemption Fund” (the “Bond Fund”) is hereby authorized to be created or continued in the office of the Treasurer. The Bond Fund shall be drawn upon for the sole purpose of paying the principal of and interest the Bonds.

The Port hereby further irrevocably covenants that, unless the principal of and interest on the Bonds are paid from other sources, it will make annual levies of taxes upon all of the property in the Port subject to taxation within and as a part of the tax levy permitted to port districts without a vote of the electors in amounts sufficient to pay such principal and interest as the same shall become due. The full faith, credit and resources of the Port are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest on the Bonds as the same shall become due.

Section 11. Sale of Bonds. The Bonds shall be sold to the Bank at a price of par in accordance with the terms of this resolution and the Term Sheet for the Bonds. The Designated Port Representative, with the assistance of the Financial Advisor, is hereby authorized to negotiate terms for the purchase of the Bonds and to agree upon a Term Sheet, with such terms as are approved by the Designated Port Representative pursuant to this section and consistent with this resolution. The Commission has determined that it would be in the best interest of the Port to



delegate and hereby delegates to the Designated Port Representative for a limited time the authority to select all or a portion of the outstanding 2016 Bonds for refunding, to select a Bank, approve the final principal amounts, interest rate or rates, maturity date or dates, redemption rights, interest payment dates, and other terms and conditions of such Bonds. The Designated Port Representative is hereby authorized to make such determinations (A) so long as the aggregate principal amount of the Bonds does not exceed the maximum principal amount set forth in Section 2; and (B) so long as the true interest cost for the Bonds does not exceed 1.7% per annum.

Subject to the terms and conditions set forth in this section, the Designated Port Representative is hereby authorized to approve a Term Sheet. The Designated Port Representative shall provide a report to the Commission, describing the final terms of the Bonds approved pursuant to the authority delegated in this section. The authority granted to the Designated Port Representative by this section shall expire on December 31, 2021. If the Bonds authorized in this resolution have not been issued by December 31, 2021, the authorization for the issuance of the unissued Bonds shall be rescinded, and the Bonds shall not be issued nor their sale approved unless the Bonds shall have been re-authorized by resolution of the Commission. The resolution reauthorizing the issuance and sale of the Bonds may be in the form of a new resolution repealing this resolution in whole or in part or may be in the form of an amendatory resolution approving a term sheet or extending or establishing new terms and conditions for the authority delegated under this section.

Upon the adoption of this resolution, the proper officials of the Port, including the Designated Port Representative and Treasurer, are authorized and directed to undertake all other actions necessary for the prompt execution and delivery of the Bonds to the Bank thereof and for the proper application and use of the proceeds of sale of the Bonds; to execute all closing certificates and documents required to effect the closing and delivery of such Bonds in accordance

with the terms of the Term Sheet; and to approve and enter into agreements for the payment of costs of issuance, the fees and expenses specified in the Term Sheet, and other retained services, including bond counsel, the Financial Advisor, Escrow Agent, if any, escrow structuring services, and other expenses customarily incurred in connection with issuance and sale of bonds.

Section 12. No Undertaking to Provide Ongoing Disclosure. The Bonds are not subject to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, and the Port makes no undertaking regarding ongoing disclosure with respect to the Bonds.

As long as the Bonds are outstanding, the Port will provide to the Bank the information specified in the Term Sheet as approved by the Designated Port Representative.

Section 13. Lost, Stolen or Destroyed Bonds. In case any of the Bonds shall be lost, stolen or destroyed, the Bond Registrar may execute and deliver a new Bond of like date, number and tenor to the Bank thereof upon the Bank's paying the expenses and charges of the Port and the Bond Registrar in connection therewith and upon its filing with the Port evidence satisfactory to the Port and the Bond Registrar that such Bond was actually lost, stolen or destroyed and of its ownership thereof, and upon furnishing the Port and Bond Registrar with indemnity satisfactory to the Port.

Section 14. Resolution and Laws a Contract with the Bank. This resolution is adopted under the authority of and in full compliance with the Constitution and laws of the State of Washington, including Title 36 of the Revised Code of Washington, as amended and supplemented. In consideration of the loan made by the Bank, evidenced by the Bonds, the provisions of this resolution and of said laws shall constitute a contract with the Bank, and the obligations of the Port and its Commission under said laws and under this resolution shall be enforceable by any court of competent jurisdiction; and the covenants and agreements herein and

in the Bonds set forth shall be for the equal benefit of the Bank and any permitted transferee or assignee.

Section 15. Severability. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the Port 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 resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bonds.

Section 16. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED at a meeting of the Commission of the Port of Tacoma, Washington, held this 18<sup>th</sup> day of February, 2021.

draft

PORT OF TACOMA, WASHINGTON

---

President and Commissioner

---

Vice-President and Commissioner

---

Commissioner

---

Commissioner

---

Commissioner

CERTIFICATE

I, the undersigned, Secretary of the Port Commission (the “Commission”) of the Port of Tacoma (the “Port”), DO HEREBY CERTIFY:

1. That the attached resolution numbered 2021-04-PT (the “Resolution”) is a true and correct copy of a resolution of the Port, as finally adopted at a meeting of the Commission held on the 18th day of February, 2021, and duly recorded in my office.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of February, 2021.

---

Secretary of the Port Commission



Consider Resolution 2021-04-PT:

February 18, 2021

# Resolution



Consider Resolution 2021-04-PT, a resolution of the Port Commission of the Port of Tacoma, authorizing the sale and issuance of limited tax general obligation refunding bonds of the Port in the aggregate principal amount of not to exceed \$18,075,000; and authorizing the designated port representative to approve certain matters relating to the bonds including the sale of the bonds, execution of all documents and actions necessary to sell and deliver the bonds and implement a plan of refunding

## Background



### 2016 General Obligation Refunding bonds

- Original par amount of \$26,384,000
- Refunded portions of the 2008A GO bonds
- Competitive Invitation bid sent to approximately 20 banks
- Zion's bank was chosen with the lowest rate
- Fixed Interest rate per yearly maturity with an average interest cost of 1.99%

# Refunding Opportunity



- Extremely low interest rates are available in the bank and publicly traded market
- Due to higher costs of a public issue, and the small potential for savings, an Invitation to Bid (ITB) to banks is the recommended refunding approach
- ITB's will be sent to approximately 20 banks
- Estimated to reduce interest rate paid by approximately 1% (50% reduction)



## Terms of the Loan



- No change to outstanding principal amounts or maturity dates
  - Principal amount of \$18,075,000
  - Final maturity 12/1/2025
- Coupon rate to be determined
- Total all-in rate estimated to be approximately 1% including all fees
  - Outstanding bonds ~2.12%
  - Estimate \$100,000 per year interest savings
- Callability to be based on winning bid
- Closing on or about March 31<sup>st</sup>, 2021

## Action



- Delegating to Executive Director authority to approve the final terms of the refunding bond
- Delegating to staff the ability to pay all fees associated with the loan

# Resolution



Recommend approval of Resolution 2020-12-PT, a resolution of the Port Commission of the Port of Tacoma, authorizing the sale and issuance of limited tax general obligation refunding bonds of the Port in the aggregate principal amount of not to exceed \$18,075,000; and authorizing the designated port representative to approve certain matters relating to the bonds including the sale of the bonds, execution of all documents and actions necessary to sell and deliver the bonds and implement a plan of refunding