



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**January 23, 2001**

**Motion 11106**

**Proposed No. 2000-0367.2**

**Sponsors Nickels**

1           A MOTION of the county council accepting a bid for the  
2           purchase of the county's Unlimited Tax General Obligation  
3           Bonds, 2001(Harborview Medical Center), in the aggregate  
4           principal amount of \$29,130,000; fixing the interest rates and  
5           other terms of such bonds; all in accordance with Ordinance  
6           13963.

7  
8           WHEREAS, the county council by Ordinance 13963 passed October 12, 2000  
9           (the "Bond Ordinance"), authorized the issuance and sale of the county's unlimited tax  
10          general obligation bonds in the aggregate principal amount of not to exceed \$29,130,000  
11          (the "Bonds") for the purpose of financing a portion of the costs of certain capital  
12          improvements to facilities of Harborview Medical Center, as authorized by Ordinance  
13          13896 of the county and approved by the qualified electors of the county at the  
14          September 19, 2000 election; and

15          WHEREAS, the Bond Ordinance provided that the Bonds be sold at public sale as  
16          determined by the finance director in consultation with the county's financial advisors;  
17          and

18 WHEREAS, the finance director has determined that the Bonds be sold as  
19 provided herein; and

20 WHEREAS, pursuant to the Bond Ordinance, a preliminary official statement  
21 dated January 11, 2001 has been prepared for the public sale of the Bonds, the official  
22 notice of such sale (the "Notice") has been duly published, and bids have been received in  
23 accordance with the Notice; and

24 WHEREAS, the attached bid of Salomon Smith Barney (the "Purchaser") to  
25 purchase the Bonds is the best bid received for such bonds, and it is in the best interest of  
26 the county that the Bonds be sold to the Purchaser on the terms set forth in the Notice, the  
27 attached bid, the Bond Ordinance and this motion;

28 NOW, THEREFORE, BE IT MOVED by the Council of King County:

29 A. Definitions. Except as expressly authorized herein, capitalized terms used  
30 in this motion have the meanings set forth in the Bond Ordinance.

31 B. Ratification of Notice of Sale, Acceptance of Bids, and Authorization of  
32 Bonds. The issuance of the Bonds, designated as the county's Unlimited Tax General  
33 Obligation Bonds, 2001 (Harborview Medical Center), in the aggregate principal amount  
34 of \$29,130,000, and the terms and conditions thereof set forth in the Official Notice of  
35 Bond Sale, attached hereto as Attachment A (the "Notice"), are hereby ratified and  
36 confirmed, and the bid to purchase the Bonds, as set forth in the Purchaser's bid attached  
37 hereto as Attachment B, is hereby accepted. The Bonds shall bear interest at the rates set  
38 forth on Attachment B and shall conform in all other respects to the terms and conditions  
39 specified in the Notice and Bond Ordinance.

40           The Bonds shall be subject to optional and mandatory redemption as set forth in  
41 the Notice.

42           C.     Undertaking to Provide Ongoing Disclosure.

43                 1.     Contract/Undertaking. This Section C constitutes the county's  
44 written undertaking for the benefit of the owners and Beneficial Owners of the Bonds as  
45 required by Section (b)(5) of the Rule.

46                 2.     Financial Statements/Operating Data. The county agrees to  
47 provide or cause to be provided to each NRMSIR and to the SID, if any, in each case as  
48 designated by the Commission in accordance with the Rule, the following annual  
49 financial information and operating data for the prior fiscal year (commencing in 2001  
50 for the fiscal year ended December 31, 2000):

51                         (a)     Annual financial statements, which statements may or may  
52 not be audited, showing year-end fund balance for the country's general fund prepared in  
53 accordance with the Budget Accounting and Reporting System prescribed by the  
54 Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) and  
55 generally of the type included in the official statement for the Bonds under the heading  
56 "Appendix B: Audited 1999 Financial Statements";

57                         (b)     The assessed valuation of taxable property in the county;

58                         (c)     Property taxes due, percentage of taxes collected and  
59 property taxes delinquent;

60                         (d)     Property tax levy rate per \$1,000 of assessed valuation; and

61                         (e)     Outstanding general obligation debt of the county.

62 Items (b) through (e) shall be required only to the extent that such information is  
63 not included in the annual financial statements.

64 Such annual information and operating data described above shall be provided on  
65 or before nine months after the end of the county's fiscal year. The county's fiscal year  
66 currently ends on December 31. The county may adjust such fiscal year by providing  
67 written notice of the change of fiscal year to each then existing NRMSIR and the SID, if  
68 any. In lieu of providing such annual financial information and operating data, the  
69 county may cross-reference to other documents provided to the NRMSIR, the SID or to  
70 the Commission and, if such document is a final official statement within the meaning of  
71 the Rule, available from the MSRB.

72 If not provided as part of the annual financial information discussed above, the  
73 county shall provide the county's audited annual financial statement prepared in  
74 accordance with the Budget Accounting and Reporting System prescribed by the  
75 Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) when  
76 and if available to each then existing NRMSIR and the SID, if any.

77 3. Material Events. The county agrees to provide or cause to be  
78 provided, in a timely manner, to the SID, if any, and to each NRMSIR or to the MSRB  
79 notice of the occurrence of any of the following events with respect to the Bonds, if  
80 material:

- 81 (a) Principal and interest payment delinquencies;
- 82 (b) Non-payment related defaults;
- 83 (c) Unscheduled draws on debt service reserves reflecting  
84 financial difficulties;

- 85 (d) Unscheduled draws on credit enhancements reflecting  
86 financial difficulties;
- 87 (e) Substitution of credit or liquidity providers, or their failure  
88 to perform;
- 89 (f) Adverse tax opinions or events affecting the tax-exempt  
90 status of the Bonds;
- 91 (g) Modifications to rights of Bond holders;
- 92 (h) Optional, contingent or unscheduled calls of any Bonds  
93 other than scheduled sinking fund redemptions for which notice is given pursuant to  
94 Exchange Act Release 34-23856;
- 95 (i) Defeasances;
- 96 (j) Release, substitution or sale of property securing repayment  
97 of the Bonds; and
- 98 (k) Rating changes.

99 Solely for purposes of disclosure, and not intending to modify this undertaking,  
100 the county advises with reference to items (c) and (j) above that no debt service reserves  
101 secure payment of the Bonds and no property secures repayment of the Bonds.

102 4. Notification Upon Failure to Provide Financial Data. The county  
103 agrees to provide or cause to be provided, in a timely manner, to each NRMSIR or to the  
104 MSRB and to the SID, if any, notice of its failure to provide the annual financial  
105 information described in subsection 2 above on or prior to the date set forth in  
106 subsection 2 above.

107                   5.     Termination/Modification. The county's obligations to provide  
108     annual financial information and notices of material events shall terminate upon the legal  
109     defeasance, prior redemption or payment in full of all of the Bonds. This section, or any  
110     provision hereof, shall be null and void if the county (i) obtains an opinion of nationally  
111     recognized bond counsel to the effect that those portions of the Rule which require this  
112     section, or any such provision, are invalid, have been repealed retroactively or otherwise  
113     do not apply to the Bonds; and (ii) notifies each then existing NRMSIR and the SID, if  
114     any, of such opinion and the cancellation of this section.

115                   Notwithstanding any other provision of this motion, the county may amend this  
116     Section C, and any provision of this Section C may be waived, with an approving opinion  
117     of nationally recognized bond counsel and in accordance with the Rule.

118                   In the event of any amendment or waiver of a provision of this Section C, the  
119     county shall describe such amendment in the next annual report, and shall include, as  
120     applicable, a narrative explanation of the reason for the amendment or waiver and its  
121     impact on the type (or in the case of a change of accounting principles, on the  
122     presentation) of financial information or operating data being presented by the county. In  
123     addition, if the amendment relates to the accounting principles to be followed in  
124     preparing financial statements, (i) notice of such change shall be given in the same  
125     manner as for a material event under subsection 3, and (ii) the annual report for the year  
126     in which the change is made should present a comparison (in narrative form and also, if  
127     feasible, in quantitative form) between the financial statements as prepared on the basis  
128     of the new accounting principles and those prepared on the basis of the former accounting  
129     principles.

130                   6.     Bond Owner's Remedies Under This Section. The right of any  
131 Bond Owner or Beneficial Owner of Bonds to enforce the provisions of this section shall  
132 be limited to a right to obtain specific enforcement of the county's obligations hereunder,  
133 and any failure by the county to comply with the provisions of this undertaking shall not  
134 be an event of default with respect to the Bonds hereunder. For purposes of this section,  
135 "Beneficial Owner" means any person who has the power, directly or indirectly, to vote  
136 or consent with respect to, or to dispose of ownership of, any Bonds, including persons  
137 holding Bonds through nominees or depositories.

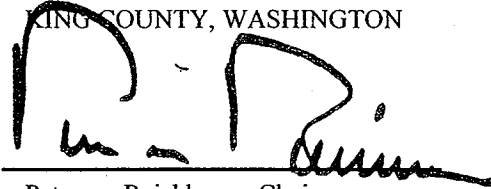
138                   D.     Further Authority. The county officials, their agents, and representatives  
139 are hereby authorized and directed to do everything necessary for the prompt issuance  
140 and delivery of the Bonds and for the proper use and application of the proceeds of such  
141 sale.

142 E. Severability. If any provision in this motion is declared by any court of  
143 competent jurisdiction to be contrary to law, then such provision shall be null and void  
144 and shall be deemed separable from the remaining provisions of this motion and shall in  
145 no way affect the validity of the other provisions of this motion or of the Bonds.

Motion 11106 was introduced on 6/19/00 and passed by the Metropolitan King County Council on 1/22/01, by the following vote:

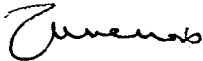
Yes: 12 - Mr. von Reichbauer, Ms. Miller, Ms. Fimia, Mr. Pelz, Mr. McKenna, Ms. Sullivan, Mr. Nickels, Mr. Pullen, Mr. Gossett, Ms. Hague, Mr. Vance and Mr. Irons  
No: 0  
Excused: 1 - Mr. Phillips

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



Pete von Reichbauer, Chair

ATTEST:



Anne Noris, Clerk of the Council

**Attachments** A. Official Notice of Bond Sale, B. Winning Bid of Salomon Smith Barney



ATTACHMENT A

Official Notice of Bond Sale

\$29,130,000

King County, Washington

Unlimited Tax General Obligation Bonds, 2001

(Harborview Medical Center)

Sealed and electronic (as explained below) bids for the above-referenced bonds of King County, Washington (the "County"), will be received, in the case of sealed bids, in the King County Administration Building, Room 611, 500 4th Avenue, Seattle, Washington, and, in the case of electronic bids, via *PARITY*, in the manner described below, until 9:00 a.m., Pacific Time, on

January 22, 2001,

or at such later date or time as may be established by the King County Finance Director (the "Finance Director") and communicated through TM3, the Bond Buyer Wire or the Bloomberg News Network not less than 24 hours prior to the time bids are to be received, for the purchase of the Bonds. All bids received with respect to the Bonds will be considered by the Metropolitan King County Council (the "County Council") at its regularly scheduled meeting on the day bids are received. If the County accepts a bid, it will be awarded to the successful bidder and its terms will be approved by the County Council at such meeting.

Bids must be submitted either:

- (i) In a sealed envelope to the Finance Director as described above; or
- (ii) Electronically via *PARITY* in accordance with its Rules of Participation and this notice, between 8:30 a.m. and 9:00 a.m. local time, but no bid will be received after the time for receiving bids specified above. In the event of a malfunction in the electronic bidding process, bidders may submit their bids by facsimile transmission to the Finance Director at (206) 296-7345. For further information about *PARITY*, potential bidders may contact the County's financial advisor or *PARITY* at (212) 806-8361.

In the event a bidder submits an electronic bid for the Bonds, such bidder hereby agrees to the following terms and conditions:

- (i) If any provision in this Official Notice of Bond Sale conflicts with information or terms provided or required by *PARITY*, this Official Notice of Bond Sale, including any amendments issued by public wire, shall control.
- (ii) Electronic bids may only be submitted via *PARITY*. The bidder is solely responsible for making necessary arrangements to access *PARITY* for purposes of submitting a bid timely and in compliance with the requirements of this Official Notice of Bond Sale.
- (iii) The County shall have no duty or obligation to provide or assure access to *PARITY*, and shall not be responsible for the proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, use of *PARITY*.
- (iv) The County is using *PARITY* as a communication mechanism, and not as an agent of the County.
- (v) The County may regard the electronic transmission of a bid through *PARITY* (including information regarding the purchase price for the Bonds, interest rates for any maturity of the Bonds, and the terming of Bond maturities) as though the information were submitted on the Official Bid Form and executed on the bidder's behalf by a duly authorized signatory.
- (vi) Upon acceptance of a bid by the County, this Official Notice of Bond Sale, the Official Bid Form and the information that is electronically transmitted through *PARITY* shall form a contract between the bidder and the County.

Bonds for less than an amount equal to 99 percent of par plus accrued interest or for less than the entire offering of Bonds. The purchaser must pay accrued interest, if any, to the date of delivery of the Bonds.

For the purpose of comparing bids only, the interest rates bid being controlling, each bid shall state the true interest cost of the bid determined in the manner hereinafter stated. The true interest cost will be determined by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the price bid, without regard to interest accrued to the date of delivery of the Bonds.

Bidders are requested to provide a list of any syndicate members with their bids or within 24 hours of submitting their bids. The County strongly encourages the inclusion of women and minority business enterprise firms in bidding syndicates.

**Election of Maturities**

The bidder shall designate whether the principal amounts of the Bonds set forth below shall be retired on December 1 of each respective year as serial bonds maturing in such year or as amortization installments of term bonds maturing in the years specified by the bidder.

<u>Serial Maturity or Amortization Installment</u>	<u>Principal Amounts</u>	<u>Serial Maturity or Amortization Installments</u>	<u>Principal Amounts</u>
2001	\$ 760,000	2011	\$ 1,375,000
2002	585,000	2012	1,495,000
2003	655,000	2013	1,620,000
2004	730,000	2014	1,760,000
2005	800,000	2015	1,905,000
2006	880,000	2016	2,060,000
2007	975,000	2017	2,230,000
2008	1,065,000	2018	2,405,000
2009	1,165,000	2019	2,595,000
2010	1,265,000	2020	2,805,000

The County will deposit certain money as provided in the Ordinance and will retire the Bonds by purchase or redemption on or before the maturity dates in the amounts, if any, designated by the bidder to be amortization installments as provided for above.

**Good Faith Deposit**

All bids shall be accompanied by a good faith deposit in the amount of \$300,000. The good faith deposit shall be in the form of cash or a certified or bank cashier's check made payable to the order of the King County Treasury Division Manager or a financial surety bond. If a financial surety bond is used, it must be from an insurance company licensed to issue such a bond in the State of Washington and preapproved by the County. Such bond must be submitted to the County's Financial Advisors prior to the opening of the bids. The financial surety bond must identify each bidder whose deposit is guaranteed by such financial surety bond.

If the Bonds are awarded to a bidder using a financial surety bond, then that purchaser is required to submit its deposit to the County in the form of a certified or bank cashier's or treasurer's check or wire transfer as instructed by the County not later than 3:30 p.m., Pacific Time, on the next business day following the award. If such deposit is not received by that time, the financial surety bond may be drawn upon by the County to satisfy the deposit requirement. Each good faith deposit in a form other than a financial surety bond shall be returned promptly if the bid is not accepted. The good faith deposit of the successful bidder will be retained by the County as security for the performance of such bid, and will be applied to the purchase price of the Bonds on the delivery of such Bonds to the successful bidder. Pending delivery of the Bonds, the good faith deposit may be invested for the sole benefit of the County.

### **Delivery**

The County will deliver the Bonds (consisting of one word-processed certificate for each maturity) to DTC in New York, New York, or to the Bond Registrar on behalf of DTC by Fast Automated Securities Transfer, prior to the date of closing. Closing shall occur within 40 days after the sale date. Settlement shall be in federal funds available in Seattle, Washington, on the date of delivery. Delivery is expected to be February 6, 2001.

It is understood that if, prior to the delivery of the Bonds, the interest receivable by the owners of the Bonds becomes includable in gross income for federal income tax purposes, or becomes subject to federal income tax other than as described in this Official Statement for the Bonds, the successful bidder, at its option, may be relieved of its obligation to purchase the Bonds, and in that case the good faith deposit accompanying its bid will be returned without interest.

The approving legal opinion of Preston Gates & Ellis LLP, Seattle, Washington, Bond Counsel, will be provided to the purchaser at the time of the delivery of the Bonds. Bond counsel's opinion will express no opinion concerning the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds, nor will there be an opinion of Bond Counsel expressed relating to the undertaking of the County to provide ongoing disclosure pursuant to SEC Rule 15c2-12. A no-litigation certificate will be included in the closing papers of the Bonds.

### **CUSIP Numbers**

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on the Bonds nor any error with respect thereto will constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of this Official Notice of Sale. All expenses in relation to the printing of the CUSIP numbers on the Bonds will be paid by the County, but the charge of the CUSIP Bureau shall be paid by the purchaser.

### **Ongoing Disclosure Undertaking**

In order to assist bidders in complying with SEC Rule 15c2-12(b)(5), the County will undertake, pursuant to the Sale Motion, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in this Preliminary Official Statement and will also be set forth in the final Official Statement.

ATTACHMENT B

Upcoming Calendar	Preview	Result	Excel
-------------------	---------	--------	-------

Salomon Smith Barney's Bid



**King County  
\$29,130,000 Unlimited Tax General Obligation Bonds,  
2001 (Harborview Medical Center)**

For the aggregate principal amount of \$29,130,000.00, we will pay you \$28,838,700.00, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Bond Insurance
12/01/2001	760M	4.0000	
12/01/2002	585M	4.0000	
12/01/2003	655M	4.0000	
12/01/2004	730M	4.0000	
12/01/2005	800M	4.0000	
12/01/2006	880M	4.0000	
12/01/2007	975M	4.0000	
12/01/2008	1,065M	4.0000	
12/01/2009	1,165M	4.1000	
12/01/2010	1,265M	4.2000	
12/01/2011	1,375M	4.3000	
12/01/2012	1,495M	4.4000	
12/01/2013	1,620M	4.5000	
12/01/2014	1,760M	4.6000	
12/01/2015	1,905M	4.7000	
12/01/2016	2,060M	4.8000	
12/01/2017	2,230M	4.8000	
12/01/2018	2,405M	4.9000	
12/01/2019	2,595M	5.0000	
12/01/2020	2,805M	5.0000	

Total Interest Cost: \$17,655,745.00  
 Discount \$291,300.00  
 Net Interest Cost: \$17,947,045.00  
 TIC 4.768917%  
 Time Last Bid Received On:01/22/2001 8:56:31 PST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Salomon Smith Barney, Seattle , WA  
Contact: John Penny  
Title: Managing Director  
Telephone:206-628-4405  
Fax:

Issuer Name: King County

Company Name: \_\_\_\_\_

Accepted By: \_\_\_\_\_

Accepted By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

---

Thomson Municipal Market Monitor.

© 1995-2001 Thomson Financial Municipals Group. All rights reserved. Trademarks page.(S1)  
TM3 Client Services 1-800-367-8215, 8:00 a.m. to 6:00 p.m. EST.  
Please send comments to [webmaster@tm3.com](mailto:webmaster@tm3.com).

**THOMSON FI**  
\_\_\_\_\_  
**MUNICIPALS**

Mon Jan 22 12:01:14 2001