



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

May 24, 2004

Motion 11926

Proposed No. 2004-0090.2

Sponsors Gossett

1 A MOTION accepting a bid for the purchase of the
2 county's Limited Tax General Obligation (Public
3 Transportation Sales Tax) Bonds, 2004, in the aggregate
4 principal amount of \$49,695,000, and establishing certain
5 terms of such bonds, all in accordance with Ordinance
6 14887.

7
8
9 WHEREAS, the county council by Ordinance 14887 passed May 3, 2004 (the
10 "Bond Ordinance"), authorized the issuance and sale of limited tax general obligation
11 (public transportation sales tax) bonds (the "Bonds") of the county in the aggregate
12 principal amount of not to exceed \$50,000,000 for the purpose of financing portions of
13 the Public Transportation Fund Capital Improvement Program of the county; and

14 WHEREAS, the Bond Ordinance provided that the Bonds be sold as determined
15 by the county's manager of finance and business operations (the "Finance Manager") in
16 consultation with the county's financial advisors; and

17 WHEREAS, the Finance Manager has determined that the Bonds be sold by
18 competitive bid; and

19 WHEREAS, pursuant to the Bond Ordinance, a preliminary official statement
20 dated May 18, 2004 (the "Preliminary Official Statement"), has been prepared for the
21 public sale of the Bonds, the official notice of such sale (the "Notice of Sale") has been
22 duly published, and bids have been received in accordance with the Notice of Sale; and

23 WHEREAS, after the Finance Manager's review and analysis of the bids received,
24 the council, deems it necessary and desirable to authorize the sale of the Bonds in the
25 principal amount of \$49,695,000 to ABN AMRO Financial Services, Inc., of New York,
26 New York (the "Underwriter"), as the bidder offering the lowest true interest cost
27 therefor;

28 WHEREAS it is in the best interest of the county that the Bonds be sold to the
29 Underwriter on the terms set forth in the Bond Ordinance and this motion;

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

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

33 B. Approval of Bond Purchase Agreement and Authorization of Bonds. The
34 issuance of the Bonds, designated as the county's Limited Tax General Obligation (Public
35 Transportation Sales Tax) Bonds, 2004, in the aggregate principal amount of
36 \$49,695,000. The terms and conditions set forth in the Official Notice of Bond Sale (the
37 "Notice"), attached hereto as Exhibit A are hereby ratified and confirmed, and the bid to
38 purchase the Bonds set forth in the Underwriter's bid, attached hereto as Exhibit B, is
39 hereby accepted. All other bids that have been received are attached hereto as Exhibit C.

40 The Bonds shall bear interest at the rates set forth in Exhibit B and shall conform in all
41 other respects to the terms and conditions specified in the Notice and the Bond
42 Ordinance. The Bonds shall be subject to optional redemption as set forth in the Notice.

43 Following receipt of the Underwriter's bid, the county has exercised its right
44 under the Notice to adjust the maturity amounts of the Bonds. Accordingly, the Bonds
45 shall mature or be subject to mandatory redemption on June 1 in the years and amounts
46 and bear interest at the rates per annum as follows:

<u>Years</u>	<u>Amounts</u>	<u>Rates</u>
2005	\$ 785,000	2.500%
2006	810,000	3.000
2007	835,000	3.000
2008	860,000	3.500
2009	890,000	3.500
2010	925,000	4.000
2011	965,000	4.000
2012	1,005,000	4.250
2013	1,050,000	4.500
2014	1,100,000	5.000
2015	1,160,000	5.500
2016	1,220,000	5.000
2017	1,290,000	5.500
2018	1,360,000	5.500
2019	1,440,000	5.500

2020	1,520,000	5.500
2021	1,605,000	5.500
2022	1,695,000	5.500
2023	1,790,000	5.500
2024	1,895,000	5.500
2025	1,995,000	5.000
2026	2,095,000	5.000
2027*	2,210,000	5.375
2028*	2,330,000	5.375
2029*	2,460,000	5.375
2030**	2,595,000	5.125
2031**	2,730,000	5.125
2032**	2,870,000	5.125
2033**	3,025,000	5.125
2034**	3,185,000	5.125

47 * Term Bonds maturing in 2029

48 ** Term Bonds maturing in 2034

49 C. Undertaking to Provide Ongoing Disclosure.

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

53 2. Financial Statements/Operating Data. The county agrees to provide or cause
54 to be provided to each NRMSIR and to the SID, if any, in each case as designated by the

55 Commission in accordance with the Rule, the following annual financial information and
56 operating data for the prior fiscal year (commencing in 2004 for the fiscal year ended
57 December 31, 2003):

58 (a) Annual financial statements prepared in accordance with the Budget
59 Accounting and Reporting System ("BARS") prescribed by the Washington State Auditor
60 pursuant to RCW 43.09.200 (or any successor statute) and generally of the type included
61 in the official statement for the Bonds under the heading "Appendix B: Audited 2002
62 Financial Statements";

63 (b) A summary of budgeted general fund revenues and appropriations;

64 (c) A summary of the assessed valuation of taxable property in the county;

65 (d) A summary of the *ad valorem* property tax levy and delinquency rate;

66 (e) A schedule of the aggregate annual debt service on tax-supported
67 indebtedness of the county;

68 (f) A summary of outstanding tax-supported indebtedness of the county; and

69 (g) Public Transportation Sales Taxes collected by the county pursuant to
70 RCW 82.14.045.

71 Items (b) through (g) shall be required only to the extent that such information is
72 not included in the annual financial statements.

73 Such annual information and operating data described above shall be provided on
74 or before seven months after the end of the county's fiscal year. The county's fiscal year
75 currently ends on December 31. The county may adjust such fiscal year by providing
76 written notice of the change of fiscal year to each then existing NRMSIR and the SID, if
77 any. In lieu of providing such annual financial information and operating data, the

78 county may cross-reference to other documents provided to the NRMSIR, the SID or to
79 the Commission, and, if such document is a final official statement within the meaning of
80 the Rule, available from the MSRB.

81 If not provided as part of the annual financial information discussed above, the
82 county shall provide the county's audited annual financial statement prepared in
83 accordance with BARS when and if available to each then existing NRMSIR and the
84 SID, if any.

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

- 88 (a) Principal and interest payment delinquencies;
- 89 (b) Non-payment related defaults;
- 90 (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- 91 (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- 92 (e) Substitution of credit or liquidity providers, or their failure to perform;
- 93 (f) Adverse tax opinions or events affecting the tax-exempt status of the
94 Bonds;
- 95 (g) Modifications to rights of Bond holders;
- 96 (h) Optional, contingent or unscheduled calls of any Bonds other than
97 scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act
98 Release 34-23856;
- 99 (i) Defeasances;

- 100 (j) Release, substitution or sale of property securing repayment of the Bonds;
101 and
102 (k) Rating changes.

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

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

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

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

121 In the event of any amendment or waiver of a provision of this Section C, the
122 county shall describe such amendment in the next annual report, and shall include, as

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

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

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

144 E. Severability. The covenants contained in this motion shall constitute a
145 contract between the county and the owners of each and every Bond. If any provision in

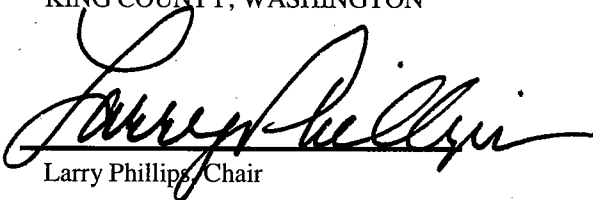
Motion 11926

146 this motion to be performed on the part of the County shall be declared by any court of
147 competent jurisdiction to be contrary to law, then such provision shall be null and void
148 and shall be deemed separable from the remaining provisions of this motion and shall in
149 no way affect the validity of the other provisions of this motion or of the Bonds.
150

Motion 11926 was introduced on 2/23/2004 and passed by the Metropolitan King County Council on 5/24/2004, by the following vote:

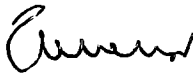
Yes: 11 - Mr. Phillips, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr. Pelz, Mr. McKenna, Mr. Ferguson, Mr. Hammond, Mr. Gossett, Ms. Hague and Mr. Irons
No: 0
Excused: 2 - Ms. Patterson and Mr. Constantine

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments A. Exhibit A Official Notice of Bond Sale, B. Exhibit B Underwriter's Bid, C. Exhibit C Other Bids

11926

ATTACHMENT A

EXHIBIT A

Official Notice of Bond Sale

11926

OFFICIAL NOTICE OF BOND SALE

\$50,000,000*

KING COUNTY, WASHINGTON

LIMITED TAX GENERAL OBLIGATION

(PUBLIC TRANSPORTATION SALES TAX) BONDS, 2004

Separate sealed and electronic (as explained below) bids for the above-referenced bonds (the "Bonds") of King County, Washington (the "County"), will be received, in the case of sealed bids, in the King County Administration Building, Room 610, 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 MAY 24, 2004,

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 for the Bonds, it will be awarded to the successful bidder and its terms will be approved by the County Council at such meeting. Any bid for the Bonds presented after the time specified for the receipt of bids will not be received, and any bid not accompanied by the required good faith deposit at the time of opening that bid will not be read or considered.

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., Pacific 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 advisors, Hattori & Associates, LLC, at (206) 524-4665, or Seattle-Northwest Securities, at (206) 628-2882, or *PARITY* at (212) 806-8304.

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 and the interest rates for any maturity of the Bonds) as

* Preliminary, subject to change.

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 Forms and the information that is electronically transmitted through *PARITY* shall form a contract between the bidder and the County.

If all bids for the Bonds are rejected, the Finance Director may fix a new date and time for the receipt of bids for the Bonds by giving notice communicated through TM3, the Bond Buyer Wire or the Bloomberg News Network not less than 24 hours prior to such new date and time. Any notice specifying a new date and/or time for the receipt of bids, following the rejection of bids received or otherwise, shall be considered an amendment to this Official Notice of Bond Sale.

A copy of the County's Preliminary Official Statement (with the Official Notice of Bond Sale and the Official Bid Form), dated May 18, 2004, and further information regarding the details of the Bonds may be obtained upon request to the King County Finance Director, 6th Floor, King County Administration Building, 500 Fourth Avenue, Seattle, Washington 98104 (telephone: (206) 296-7345), or the County's financial advisors, Hattori & Associates, LLC, 6837 17th Avenue Northeast, Seattle, Washington 98115 (telephone: (206) 524-4665), and Seattle-Northwest Securities Corporation, 1420 Fifth Avenue, Suite 4300, Seattle, Washington 98101 (telephone: (206) 628-2882).

Description of the Bonds

The Bonds will be dated the date of their initial delivery. The Bonds bear interest payable semiannually on each June 1 and December 1, beginning on December 1, 2004, to maturity or earlier redemption of the Bonds.

The County reserves the right to redeem outstanding Bonds maturing on or after June 1, 2015, in whole or in part at any time on or after June 1, 2014, at the price of par plus accrued interest, if any, to the date of redemption.

The Bonds are issuable only as fully registered bonds and when issued will be registered in the name of Cede & Co. as Bond owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. The principal of and interest on the Bonds are payable by the fiscal agency for the State of Washington, currently The Bank of New York in New York, New York (the "Bond Registrar"), to DTC, which in turn is obligated to remit such principal and interest to the DTC participants for subsequent disbursement to beneficial owners of the Bonds.

Election of Maturities

The bidder for the Bonds shall designate whether the principal amounts of the Bonds as set forth below shall be retired on June 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>
2005	\$ 805,000	2020	\$ 1,540,000
2006	830,000	2021	1,625,000
2007	855,000	2022	1,710,000
2008	880,000	2023	1,805,000
2009	910,000	2024	1,900,000
2010	945,000	2025	1,995,000
2011	985,000	2026	2,100,000
2012	1,030,000	2027	2,205,000
2013	1,080,000	2028	2,325,000
2014	1,130,000	2029	2,445,000
2015	1,185,000	2030	2,575,000
2016	1,250,000	2031	2,710,000
2017	1,315,000	2032	2,855,000
2018	1,385,000	2033	3,005,000
2019	1,460,000	2034	3,160,000

The County will deposit certain money as provided in the Ordinance and will retire the Bonds by purchase or redemption on or before June 1 of the years and in the amounts, if any, designated by the bidder to be amortization installments as provided for above.

Security

The Bonds are general obligations of the County. The County irrevocably covenants that, for as long as any of the Bonds are outstanding and unpaid, it will include in its budget and levy the Public Transportation Sales Tax annually in an amount that will be sufficient, together with all other funds legally available for such purposes, to pay the principal of and interest on the Bonds as they become due. The County further irrevocably covenants that, for as long as any of the Bonds are outstanding and unpaid, each year it will include in its budget and levy an *ad valorem* tax upon all the property within the County that is subject to taxation in an amount that will be sufficient, together with all other revenues and money of the County legally available for such purposes (including Sales Tax Revenues and Assessment Income, if any, as described herein) to pay the principal of and interest on the Bonds as they become due. The full faith, credit and resources of the County are pledged irrevocably for the annual levy and collection of such taxes and for the prompt payment of the principal and interest on the Bonds as the same become due.

The County always has met principal and interest payments on outstanding bonds and notes when due.

Bidding Information

Bidders are invited to submit bids for the purchase of the Bonds fixing the interest rates that the Bonds will bear. The interest rates bid shall be in a multiple of 1/8 or 1/20 of one percent. No more than one rate of interest may be fixed for any one maturity of the Bonds. Bids shall be without condition and shall be submitted only on the Official Bid Form that is contained in the Preliminary Official Statement, or on photocopies of such forms, or electronically via *PARITY*.

No bid will be considered for the Bonds that is less than an amount equal to 100.5 percent of the par value of the Bonds nor more than an amount equal to 104 percent of the par value of the Bonds, or for less than the

* Preliminary, subject to change.

entire offering of the Bonds. Each individual maturity must be reoffered at a yield that will produce a price of not less than 98 percent of the principal amount for that maturity. For the purpose of the preceding sentence, "price" shall be defined as the lesser of the price at the redemption date or the price at the maturity date.

For the purpose of comparing bids only, the interest rate bid being controlling, each bid shall state the true interest cost of the bid, determined by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payment from the payment date to the date of the Bonds and to the price bid.

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.

Adjustment of Amount of Bonds and Bid Price

The County has reserved the right to increase or decrease the preliminary principal amount of the Bonds by an amount not to exceed ten percent (10%) following the opening of the bids. The County also reserves the right to increase or decrease the preliminary principal amount of any maturity of the Bonds by fifteen percent (15%) of the preliminary principal amount of that maturity. The price bid by the successful bidder for the Bonds will be adjusted by the County on a proportionate basis to reflect an increase or decrease in the principal amount and maturity schedule of the Bonds within 24 hours of the bid opening. The County will not be responsible in the event and to the extent that any adjustment affects the net compensation to be realized by the successful bidder of the Bonds.

Good Faith Deposit

All bids shall be accompanied by a good faith deposit in the amount of \$500,000. 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 of the Bonds 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 the Bonds to the successful bidder. Pending delivery of the Bonds, the good faith deposit may be invested for the sole benefit of the County.

If the Bonds are ready for delivery and the successful bidder fails to complete the purchase of the Bonds within 50 days following the acceptance of its bid, the good faith deposit will be forfeited to the County, and, in that event, the County Council may accept the next best bid or call for additional proposals.

Insurance

Bids for the Bonds shall not be conditioned upon obtaining insurance or any other credit enhancement. If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of a bidder, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs of issuance of the Bonds resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the purchaser of its contractual obligations arising from the acceptance of its proposal for the purchase of the Bonds.

Award

The Bonds will be sold to the bidder making a bid that conforms to the terms of the offering and that, on the basis of the lowest true interest cost, is the best bid for the Bonds.

If there are two or more equal bids for the Bonds and those bids are the best bids received, the County Council will determine by lot which bid will be accepted. The County reserves the right to reject any or all bids submitted and to waive any formality in the bidding or bidding process and, if all bids for an offering are rejected, the Bonds may be readvertised for sale in the manner provided by law and as provided above.

Issue Price Information

Upon award of the Bonds, the successful bidder shall advise the County and Bond Counsel of the initial reoffering prices to the public of the Bonds (the "Initial Reoffering Prices"). Simultaneously with or before delivery of the Bonds, the successful bidder shall furnish to the County and Bond Counsel a certificate in form and substance acceptable to Bond Counsel:

- (i) confirming the Initial Reoffering Prices,
- (ii) certifying that a *bona fide* offering of the Bonds has been made to the public (excluding bond houses, brokers and other intermediaries),
- (iii) stating the prices at which a substantial amount of the Bonds was sold to the public (excluding bond houses, brokers and other intermediaries),
- (iv) stating the prices at which any portion of the Bonds that remains unsold at the date of closing would have been sold on the date the Bonds were awarded, and
- (v) stating the offering price of each portion of the Bonds sold to institutional or other investors at discount.

Delivery

The County will deliver the Bonds (consisting of one word-processed certificate for each maturity of the Bonds) 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 June 8, 2004.

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 Preliminary Official Statement for the Bonds, the successful bidder for the Bonds, 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 Foster Pepper & Shefelman PLLC, 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 Preliminary Official Statement or other offering material relating to the Bonds, nor will there be an opinion of Bond Counsel 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. The successful purchaser of the Bonds is responsible for obtaining CUSIP

numbers for the Bonds. 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

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.

Official Statement

This Preliminary Official Statement is in a form deemed final by the County for the purpose of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a final Official Statement, which the County will deliver, at the expense of the County, to the purchaser not later than seven business days after the County's acceptance of the purchaser's bid. The County will deliver no more than 250 copies of the final Official Statement to the purchaser of the Bonds. Additional copies will be provided at the purchaser's expense.

By submitting the successful proposal, the purchaser's designated senior representative agrees to file, or cause to be filed, within one business day following the receipt from the County, the final Official Statement with each nationally recognized municipal securities information repository designated by the Securities and Exchange Commission.

At the time of the delivery of the Bonds, one or more officials of the County will furnish a certificate stating that to the best of his or her knowledge and belief at the time of the acceptance of the bid for and at the time of delivery of the Bonds, this Official Statement and information furnished by the County supplemental thereto did not and do not contain any untrue statements of material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading in any material respect.

The County will advise the purchasers of the Bonds, by written notice, of any "developments that impact the accuracy and completeness of the key presentations" (within the meaning of Rule 15c2-12) contained in the final Official Statement, which may occur during the period commencing on the date of the acceptance by the County of the successful proposal and ending on the 90th day next following that date of acceptance, unless the final Official Statement has been filed with each municipal securities information repository, in which event such period will end on the 25th day.

DATED at Seattle, Washington, this 18th day of May, 2004.

/s/

Clerk of the Metropolitan King County Council

11926

OFFICIAL BID FORM

\$50,000,000*

**KING COUNTY, WASHINGTON
LIMITED TAX GENERAL OBLIGATION
(PUBLIC TRANSPORTATION SALES TAX) BONDS, 2004**

Finance Director
King County
Seattle, Washington

Dear Sir:

For the above-referenced bonds (the "Bonds"), described in the attached Official Notice of Bond Sale, which is hereby made a part of this bid, and for all but not less than all of the Bonds, with interest rates per annum on the Bonds maturing on June 1 in the years and amounts set forth in this Official Bid Form as indicated below:

<u>Years</u>	<u>Amounts*</u>	<u>Rates</u>	<u>Years</u>	<u>Amounts*</u>	<u>Rates</u>
2005	\$ 805,000		2020	\$1,540,000	
2006	830,000		2021	1,625,000	
2007	855,000		2022	1,710,000	
2008	880,000		2023	1,805,000	
2009	910,000		2024	1,900,000	
2010	945,000		2025	1,995,000	
2011	985,000		2026	2,100,000	
2012	1,030,000		2027	2,205,000	
2013	1,080,000		2028	2,325,000	
2014	1,130,000		2029	2,445,000	
2015	1,185,000		2030	2,575,000	
2016	1,250,000		2031	2,710,000	
2017	1,315,000		2032	2,855,000	
2018	1,385,000		2033	3,005,000	
2019	1,460,000		2034	3,160,000	

we offer to pay the sum of \$ _____
(must be no less than \$50,250,000* and no more than \$52,000,000*).

In accordance with the terms of the Official Notice of Bond Sale, a good faith deposit in the amount of \$500,000 has been provided in the form of either a certified or bank cashier's check or a financial surety bond, each payable to the order of King County. The good faith deposit is to be applied in accordance with the terms of the Official Notice of Bond Sale if the Bonds are awarded to us. If the Bonds are not awarded to us and a check has been submitted, such check is to be returned to us. If the Bonds are not awarded to us and we provided the good faith deposit in the form of a surety bond, neither we nor the County have any further obligations with respect to the surety bond.

* Preliminary, subject to change.

11926

This bid is submitted in accordance with and subject to all provisions contained in the Official Notice of Bond Sale which is incorporated herein by reference and made a part of this bid.

We hereby specify that a portion of the Bonds be aggregated into Term Bonds maturing on June 1 in the following years and in the following amounts (leave blank if no Term Bonds are specified):

Years Aggregated	Maturity Year	Amount
20__ through 20__	_____	_____
20__ through 20__	_____	_____
20__ through 20__	_____	_____

If our proposal to purchase the Bonds is successful, the person at the designated senior representative's office whom the County or its representatives should contact regarding closing is _____ at the following telephone number: _____

Very truly yours,

Representing: _____

For: _____

(Please provide a list of the managers and account members of your bidding group.)

Estimated true interest cost _____% (not a part of the proposal).

ATTACHMENT B

11926

EXHIBIT B

Underwriter's Bid

**ABN AMRO Financial Services, Inc. - New York, NY's Bid
King County**



**\$50,000,000 Limited Tax General Obligation
Bonds, 2004 (Public Transportation Sales Tax)**

For the aggregate principal amount of \$50,000,000.00, we will pay you \$50,461,563.35, 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 %
06/01/2005	805M	2.5000
06/01/2006	830M	3.0000
06/01/2007	855M	3.0000
06/01/2008	880M	3.5000
06/01/2009	910M	3.5000
06/01/2010	945M	4.0000
06/01/2011	985M	4.0000
06/01/2012	1,030M	4.2500
06/01/2013	1,080M	4.5000
06/01/2014	1,130M	5.0000
06/01/2015	1,185M	5.5000
06/01/2016	1,250M	5.0000
06/01/2017	1,315M	5.5000
06/01/2018	1,385M	5.5000
06/01/2019	1,460M	5.5000
06/01/2020	1,540M	5.5000
06/01/2021	1,625M	5.5000
06/01/2022	1,710M	5.5000
06/01/2023	1,805M	5.5000
06/01/2024	1,900M	5.5000
06/01/2025	1,995M	5.0000
06/01/2026	2,100M	5.0000
06/01/2027		
06/01/2028		
06/01/2029	6,975M	5.3750
06/01/2030		
06/01/2031		
06/01/2032		
06/01/2033		
06/01/2034	14,305M	5.1250

Total Interest Cost: \$49,475,859.20
 Premium: \$461,563.35
 Net Interest Cost: \$49,014,295.85

TIC: 5.092219
Time Last Bid Received On:05/24/2004 8:54:51 PDST

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: ABN AMRO Financial Services, Inc., New York, NY
Contact: charles massaro
Title: director
Telephone:212-409-7007
Fax: 212-409-7705

Issuer Name: King County

Company Name: _____

Accepted By: _____

Accepted By: _____

Date: _____

Date: _____

© 1981-2002 i-Deal LLC, All rights reserved, Trademarks

**ABN AMRO Financial Services, Inc.'s Reoffering Scale
King County**



**\$50,000,000 Limited Tax General Obligation
Bonds, 2004 (Public Transportation Sales Tax)**

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price	Call Date
06/01/2005	805M	2.5000	1.7100	100.764	
06/01/2006	830M	3.0000	2.1600	101.619	
06/01/2007	855M	3.0000	2.6400	101.025	
06/01/2008	880M	3.5000	3.0300	101.749	
06/01/2009	910M	3.5000	3.3500	100.682	
06/01/2010	945M	4.0000	3.6200	102.026	
06/01/2011	985M	4.0000	3.8100	101.154	
06/01/2012	1,030M	4.2500	3.9900	101.761	
06/01/2013	1,080M	4.5000	4.1300	102.751	
06/01/2014	1,130M	5.0000	4.2600	105.964	
06/01/2015	1,185M	5.5000	4.3400	109.314	06/01/2014
06/01/2016	1,250M	5.0000	4.5300	103.739	06/01/2014
06/01/2017	1,315M	5.5000	4.5000	107.968	06/01/2014
06/01/2018	1,385M	5.5000	4.5900	107.220	06/01/2014
06/01/2019	1,460M	5.5000	4.6700	106.560	06/01/2014
06/01/2020	1,540M	5.5000	4.7400	105.986	06/01/2014
06/01/2021	1,625M	5.5000	4.8100	105.417	06/01/2014
06/01/2022	1,710M	5.5000	4.8700	104.932	06/01/2014
06/01/2023	1,805M	5.5000	4.9400	104.369	06/01/2014
06/01/2024	1,900M	5.5000	5.0100	103.810	06/01/2014
06/01/2025	1,995M	5.0000	5.1570	98.000	
06/01/2026	2,100M	5.0000	5.1530	98.000	
06/01/2027					
06/01/2028					
06/01/2029	6,975M	5.3750	5.1000	102.128	06/01/2014
06/01/2030					
06/01/2031					
06/01/2032					
06/01/2033					
06/01/2034	14,305M	5.1250	5.2580	98.000	

Accrued Interest: \$0.00

Gross Production: \$50,849,590.85

ATTACHMENT C

11926

EXHIBIT C

Other Bids

09:00:33 a.m. PDST

Bid Results

**King County
\$50,000,000 Limited Tax General Obligation
Bonds, 2004 (Public Transportation Sales Tax)**

The following bids were submitted using **PARITY**[®] and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input type="checkbox"/>	ABN AMRO Financial Services, Inc.	5.092219
<input type="checkbox"/>	Citigroup Global Markets Inc.	5.097171
<input type="checkbox"/>	Lehman Brothers	5.107883
<input type="checkbox"/>	Goldman, Sachs & Co.	5.109162
<input type="checkbox"/>	Merrill Lynch & Co.	5.111140
<input type="checkbox"/>	Bear, Stearns & Co., Inc.	5.123438

*Awarding the Bonds to a specific bidder will provide you with the Reoffering Prices and Yields.

© 1981-2002 i-Deal LLC, All rights reserved, [Trademarks](#)

Citigroup Global Markets Inc. - New York, NY's Bid
King County
\$50,000,000 Limited Tax General Obligation
Bonds, 2004 (Public Transportation Sales Tax)



For the aggregate principal amount of \$50,000,000.00, we will pay you \$50,714,173.05, 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 %
06/01/2005	805M	3.0000
06/01/2006	830M	3.0000
06/01/2007	855M	3.0000
06/01/2008	880M	4.0000
06/01/2009	910M	4.0000
06/01/2010	945M	4.0000
06/01/2011	985M	4.0000
06/01/2012	1,030M	4.0000
06/01/2013	1,080M	4.0000
06/01/2014	1,130M	5.0000
06/01/2015	1,185M	5.0000
06/01/2016	1,250M	5.0000
06/01/2017	1,315M	5.0000
06/01/2018	1,385M	5.3750
06/01/2019	1,460M	5.3750
06/01/2020	1,540M	5.3750
06/01/2021	1,625M	5.3750
06/01/2022	1,710M	5.5000
06/01/2023	1,805M	5.5000
06/01/2024	1,900M	5.5000
06/01/2025	1,995M	5.0000
06/01/2026		
06/01/2027	4,305M	5.1250
06/01/2028		
06/01/2029		
06/01/2030	7,345M	5.5000
06/01/2031		
06/01/2032	5,565M	5.5000
06/01/2033		
06/01/2034	6,165M	5.1250

Total Interest Cost: \$50,085,422.78
 Premium: \$714,173.05
 Net Interest Cost: \$49,371,249.73

TIC: 5.097171
Time Last Bid Received On:05/24/2004 8:52:15 PDST

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: Citigroup Global Markets Inc., New York, NY
Contact: Charles Reed
Title: VP
Telephone:212-723-7093
Fax: 212-723-8951

Issuer Name: King County Company Name: _____

Accepted By: _____ Accepted By: _____

Date: _____ Date: _____

© 1981-2002 i-Deal LLC. All rights reserved. Trademarks

Lehman Brothers - New York, NY's Bid



**King County
\$50,000,000 Limited Tax General Obligation
Bonds, 2004 (Public Transportation Sales Tax)**

For the aggregate principal amount of \$50,000,000.00, we will pay you \$50,287,853.90, 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 %
06/01/2005	805M	3.2500
06/01/2006	830M	3.2500
06/01/2007	855M	3.2500
06/01/2008	880M	4.0000
06/01/2009	910M	4.0000
06/01/2010	945M	4.0000
06/01/2011	985M	4.0000
06/01/2012	1,030M	5.2500
06/01/2013	1,080M	5.2500
06/01/2014	1,130M	5.2500
06/01/2015	1,185M	5.2500
06/01/2016	1,250M	5.2500
06/01/2017	1,315M	5.2500
06/01/2018	1,385M	5.3750
06/01/2019	1,460M	5.3750
06/01/2020	1,540M	5.3750
06/01/2021	1,625M	5.3750
06/01/2022	1,710M	5.5000
06/01/2023	1,805M	5.5000
06/01/2024	1,900M	5.5000
06/01/2025		
06/01/2026		
06/01/2027		
06/01/2028		
06/01/2029	11,070M	5.1250
06/01/2030		
06/01/2031		
06/01/2032		
06/01/2033		
06/01/2034	14,305M	5.1250

Total Interest Cost: \$49,252,269.53
 Premium: \$287,853.90
 Net Interest Cost: \$48,964,415.63

TIC: 5.107883
Time Last Bid Received On:05/24/2004 8:59:14 PDST

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: Lehman Brothers, New York, NY
Contact: Frank Vitiello
Title: Senior V.P.
Telephone:212-528-1061
Fax: 646-758-2068

Issuer Name: King County

Company Name: _____

Accepted By: _____

Accepted By: _____

Date: _____

Date: _____

© 1981-2002 i-Deal LLC, All rights reserved, Trademarks

Goldman, Sachs & Co. - New York, NY's Bid
King County



\$50,000,000 Limited Tax General Obligation
Bonds, 2004 (Public Transportation Sales Tax)

For the aggregate principal amount of \$50,000,000.00, we will pay you \$50,391,891.35, 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 %
06/01/2005	805M	5.0000
06/01/2006	830M	5.0000
06/01/2007	855M	2.5000
06/01/2008	880M	3.0000
06/01/2009	910M	3.3750
06/01/2010	945M	4.0000
06/01/2011	985M	4.0000
06/01/2012	1,030M	5.2500
06/01/2013	1,080M	5.2500
06/01/2014	1,130M	5.0000
06/01/2015	1,185M	5.0000
06/01/2016	1,250M	5.0000
06/01/2017	1,315M	5.2500
06/01/2018	1,385M	5.3750
06/01/2019	1,460M	5.3750
06/01/2020	1,540M	5.3750
06/01/2021	1,625M	5.3750
06/01/2022	1,710M	5.5000
06/01/2023	1,805M	5.5000
06/01/2024	1,900M	5.5000
06/01/2025	1,995M	5.1250
06/01/2026	2,100M	5.1250
06/01/2027	2,205M	5.1250
06/01/2028	2,325M	5.1250
06/01/2029		
06/01/2030	5,020M	5.1250
06/01/2031		
06/01/2032	5,565M	5.2500
06/01/2033		
06/01/2034	6,165M	5.2500

Total Interest Cost: \$49,532,751.51
 Premium: \$391,891.35
 Net Interest Cost: \$49,140,860.16

TIC: 5.109162
Time Last Bid Received On:05/24/2004 8:59:55 PDST

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: Goldman, Sachs & Co., New York, NY
Contact: Rhonda Sentochnik
Title: VP
Telephone:212-902-6582
Fax: 212-902-3065

Issuer Name: King County

Company Name: _____

Accepted By: _____

Accepted By: _____

Date: _____

Date: _____

© 1981-2002 i-Deal LLC. All rights reserved. Trademarks

Merrill Lynch & Co. - New York, NY's Bid



**King County
\$50,000,000 Limited Tax General Obligation
Bonds, 2004 (Public Transportation Sales Tax)**

For the aggregate principal amount of \$50,000,000.00, we will pay you \$50,474,322.65, 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 %
06/01/2005	805M	4.0000
06/01/2006	830M	4.0000
06/01/2007	855M	4.0000
06/01/2008	880M	4.0000
06/01/2009	910M	4.0000
06/01/2010	945M	4.0000
06/01/2011	985M	4.0000
06/01/2012	1,030M	4.0000
06/01/2013	1,080M	5.0000
06/01/2014	1,130M	5.0000
06/01/2015	1,185M	5.0000
06/01/2016	1,250M	5.0000
06/01/2017	1,315M	5.0000
06/01/2018	1,385M	5.3750
06/01/2019	1,460M	5.3750
06/01/2020	1,540M	5.3750
06/01/2021	1,625M	5.3750
06/01/2022	1,710M	5.5000
06/01/2023	1,805M	5.5000
06/01/2024	1,900M	5.5000
06/01/2025	1,995M	5.1000
06/01/2026	2,100M	5.1250
06/01/2027		
06/01/2028		
06/01/2029		
06/01/2030	9,550M	5.2500
06/01/2031		
06/01/2032		
06/01/2033		
06/01/2034	11,730M	5.2500

Total Interest Cost:	\$49,722,871.45
Premium:	\$474,322.65
Net Interest Cost:	\$49,248,548.80

TIC: 5.111140
Time Last Bid Received On:05/24/2004 8:59:58 PDST

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: Merrill Lynch & Co., New York, NY
Contact: Paul Kuhns
Title: Managing Director
Telephone:212-449-5081
Fax: 212-449-3733

Issuer Name: King County Company Name: _____

Accepted By: _____ Accepted By: _____

Date: _____ Date: _____

© 1981-2002 i-Deal LLC, All rights reserved, Trademarks

**Bear, Stearns & Co., Inc. - New York, NY's Bid
King County**



**\$50,000,000 Limited Tax General Obligation
Bonds, 2004 (Public Transportation Sales Tax)**

For the aggregate principal amount of \$50,000,000.00, we will pay you \$50,373,081.15, 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 %
06/01/2005	805M	4.0000
06/01/2006	830M	4.0000
06/01/2007	855M	4.0000
06/01/2008	880M	5.0000
06/01/2009	910M	5.0000
06/01/2010	945M	5.0000
06/01/2011	985M	5.0000
06/01/2012	1,030M	5.2500
06/01/2013	1,080M	5.2500
06/01/2014	1,130M	5.2500
06/01/2015	1,185M	5.0000
06/01/2016	1,250M	5.0000
06/01/2017	1,315M	5.3750
06/01/2018	1,385M	5.3750
06/01/2019	1,460M	5.3750
06/01/2020	1,540M	5.3750
06/01/2021	1,625M	5.3750
06/01/2022	1,710M	5.5000
06/01/2023	1,805M	5.5000
06/01/2024	1,900M	5.5000
06/01/2025		
06/01/2026		
06/01/2027		
06/01/2028		
06/01/2029	11,070M	5.1250
06/01/2030		
06/01/2031		
06/01/2032		
06/01/2033		
06/01/2034	14,305M	5.1250

Total Interest Cost: \$49,446,625.73
 Premium: \$373,081.15
 Net Interest Cost: \$49,073,544.58

TIC: 5.123438
Time Last Bid Received On:05/24/2004 8:59:53 PDST

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: Bear, Stearns & Co., Inc., New York, NY
Contact: Roy Carlberg
Title: Associate Director
Telephone:212-272-4910
Fax: 212-272-3899

Issuer Name: King County

Company Name: _____

Accepted By: _____

Accepted By: _____

Date: _____

Date: _____

© 1981-2002 i-Deal LLC, All rights reserved. Trademarks