

ORIGINAL

Introduced by:

TRACY J. OWEN

NO. 73-650

KING COUNTY, WASHINGTON

ORDINANCE NO. 1807

AN ORDINANCE of the County Council of King County, Washington, authorizing the issuance of limited tax levy general obligation refunding bonds of the County in the principal amount of \$8,825,000 for the purpose of refunding certain outstanding limited tax levy general obligation bonds of the County in the principal amount of \$8,410,000; providing and authorizing the purchase of certain obligations with the proceeds of sale of such refunding bonds and certain moneys in the Limited Tax General Obligation Bond Redemption Fund of the County and for the use and application of the moneys to be derived from such investments; providing for the redemption of the outstanding bonds to be refunded; providing the date, form, terms, maturities and covenants of the refunding bonds to be issued and for limited tax levies to pay the principal thereof and interest thereon; and confirming the sale thereof.

WHEREAS, King County, Washington, (hereinafter called the "County"), now has outstanding its limited tax levy general obligation bonds in the principal amount of \$4,165,000, designated "General Obligation Building Modernization and Construction Bonds, 1969" and issued under date of October 1, 1969, (hereinafter called the "1969 Bonds"), which bonds are numbered, mature and bear interest as follows:

<u>Bond Nos.</u>	<u>Maturity Years</u>	<u>Amounts</u>	<u>Interest Rates</u>
88-119	October 1, 1974	\$160,000	7.50%
120-153	October 1, 1975	170,000	7.50%
154-189	October 1, 1976	180,000	7.50%
190-228	October 1, 1977	195,000	7.50%
229-269	October 1, 1978	205,000	7.50%
270-312	October 1, 1979	215,000	7.00%
313-358	October 1, 1980	230,000	6.00%
359-407	October 1, 1981	245,000	6.00%
408-459	October 1, 1982	260,000	6.00%
460-514	October 1, 1983	275,000	6.00%
515-572	October 1, 1984	290,000	6.00%
573-634	October 1, 1985	310,000	6.00%
635-699	October 1, 1986	325,000	6.00%
700-768	October 1, 1987	345,000	6.00%
769-842	October 1, 1988	370,000	6.00%
843-920	October 1, 1989	390,000	5.50%

WHEREAS, the County also has outstanding certain limited tax levy general obligation bonds in the principal amount of \$4,245,000, designated "General Obligation Building Modernization and Construction Bonds, 1970" and issued under date of January 1, 1970, (hereinafter called the "1970 Bonds"), which bonds are numbered, mature and bear interest as follows:

<u>Bond Nos.</u>	<u>Maturity Years</u>	<u>Amounts</u>	<u>Interest Rates</u>
52-80	June 1, 1974	\$145,000	8.00%
81-111	June 1, 1975	155,000	8.00%
112-144	June 1, 1976	165,000	8.00%
145-179	June 1, 1977	175,000	8.00%
180-216	June 1, 1978	185,000	6.20%
217-255	June 1, 1979	195,000	6.30%
256-297	June 1, 1980	210,000	6.40%
298-342	June 1, 1981	225,000	6.50%
343-390	June 1, 1982	240,000	6.60%
391-441	June 1, 1983	255,000	6.70%
442-495	June 1, 1984	270,000	6.80%
496-552	June 1, 1985	285,000	6.90%
553-613	June 1, 1986	305,000	7.00%
614-678	June 1, 1987	325,000	7.10%
679-747	June 1, 1988	345,000	7.20%
748-821	June 1, 1989	370,000	7.20%
822-900	June 1, 1990	395,000	7.20%

WHEREAS, the proceedings and, more particularly Ordinance No. 101 of the County authorizing the issuance of the 1969 Bonds, provide that the County may call them for redemption on October 1, 1981 in inverse numerical order at par plus accrued interest to date of redemption; and

WHEREAS, the proceedings and, more particularly Ordinance No. 420 of the County authorizing the issuance of the 1970 Bonds, provide that the County may call them for redemption on June 1, 1982 in inverse numerical order at par plus accrued interest to date of redemption; and

WHEREAS, after due consideration it appears to the County Council that the 1969 Bonds and the 1970 Bonds may be refunded by the issuance and sale of the limited tax levy general obligation refunding bonds of the County authorized herein (hereinafter called the "Refunding Bonds") so that a substantial saving to the County and its taxpayers will be effected by the issuance of the Refunding Bonds and the redemption of the 1969 Bonds and the 1970 Bonds on their respective first redemption dates; and

WHEREAS, in order to effect such refunding in the manner that will be most advantageous to the County and its taxpayers, it is hereby found necessary and advisable that certain "Acquired Obligations" bearing interest and maturing at such time or times as necessary to pay the principal of and interest on the 1969 Bonds and the 1970 Bonds as the same shall become due to and including their respective first redemption dates and to redeem the 1969 Bonds and the 1970 Bonds on their respective first redemption dates be purchased out of the proceeds of sale of the Refunding Bonds and certain moneys in the Limited Tax General Obligation Bond Redemption Fund of the County, NOW, THEREFORE,

BE IT ORDAINED by the County Council of King County, Washington, as follows:

Section 1. For the purpose of providing part of the moneys required to make the principal and interest payments coming due to and including October 1, 1981 on the 1969 Bonds, to redeem and retire on October 1, 1981 the outstanding 1969 Bonds maturing after October 1, 1981, to make the principal and interest payments coming due to and including June 1, 1982 on the 1970 Bonds, and to

redeem and retire said 1970 Bonds on June 1, 1982, the County shall issue the Refunding Bonds in the aggregate principal amount of \$8,825,000.

The Refunding Bonds shall be designated "General Obligation Refunding Bonds, Series 1973 B", shall be in the denomination of \$5,000 each, shall be dated October 1, 1973, shall bear interest payable semiannually on the first days of April and October of each year thereafter as evidenced by coupons to be attached thereto and shall be numbered and mature on the first day of October of each year as follows:

<u>Bond Nos.</u>	<u>Maturity Years</u>	<u>Amounts</u>	<u>Interest Rates</u>
1-62	1974	\$310,000	6.50%
63-129	1975	335,000	6.50%
130-200	1976	355,000	6.50%
201-277	1977	385,000	6.50%
278-359	1978	410,000	6.50%
360-446	1979	435,000	6.50%
447-539	1980	465,000	5.00%
540-639	1981	500,000	4.75%
640-745	1982	530,000	4.75%
746-860	1983	575,000	4.75%
861-980	1984	600,000	4.75%
981-1107	1985	635,000	4.75%
1108-1241	1986	670,000	4.75%
1242-1382	1987	705,000	4.90%
1383-1530	1988	740,000	4.90%
1531-1685	1989	775,000	5.00%
1686-1765	1990	400,000	5.00%

The County shall be obligated to pay interest at the same coupon rate for each Refunding Bond from and after the maturity date thereof until such bond shall have been paid or until funds shall have been duly provided in the "King County Limited Tax General Obligation Bond Redemption Fund" for such payment in full. Both principal of and interest on the Refunding Bonds shall be payable in lawful money of the United States

of America at the office of the Comptroller and ex-officio Treasurer of King County in Seattle, Washington, or at the option of the holder, at either of the fiscal agencies of the State of Washington in the cities of Seattle, Washington or New York, New York.

Section 2. The County hereby reserves the right to redeem any or all of the Refunding Bonds outstanding in whole, or in part in inverse numerical order, on the following interest payment dates and at the following prices expressed as a percentage of the principal amount plus accrued interest to the date of redemption:

On October 1, 1982, and each interest payment date to and including April 1, 1985	at 102%
On October 1, 1985, and each interest payment date to and including April 1, 1988	at 101%
On October 1, 1988, and any interest payment date there- after	at 100%

Notice of any such intended redemption shall be given by one publication thereof in the official King County newspaper not more than 40 nor less than 30 days prior to such redemption date and by mailing a like notice at the same time to White, Weld & Co., Incorporated at its main office in New York, New York and to Marshall and Meyer, Incorporated at its main office in Seattle, Washington, or to the successor in business of each of said firms, if any, at their main offices. Interest on any Refunding Bond so called for redemption shall cease on such redemption date unless the same is not redeemed upon presentation made pursuant to such call.

In addition to such publication and mailing, the County shall also mail notice of any such intended redemption to Standard & Poor's Corporation and Moody's Investors Service, Inc., New York, New York, or to their successors, if any. The mailing of such notice shall not, however, be a condition precedent to the call of any of the Refunding Bonds for redemption, and failure to give such notice shall not affect the right of the County to redeem the bonds called for redemption in the manner set forth in the preceding paragraph.

The County further reserves the right to purchase any of the Refunding Bonds for retirement at a purchase price not to exceed the redemption price which would be payable on the next redemption date to the holders of such Refunding Bonds, plus accrued interest to the date of such purchase.

Section 3. The Refunding Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____

\$5,000

STATE OF WASHINGTON
KING COUNTY

GENERAL OBLIGATION REFUNDING BOND, SERIES 1973.B

King County, Washington (hereinafter called the "County"), hereby acknowledges itself to owe and for value received promises to pay to bearer on the first day of October, 19__, the principal amount of

FIVE THOUSAND DOLLARS

together with interest thereon at the rate of ____% per

annum payable on the first days of April and October 1974 and semiannually on the first days of April and October of each year thereafter upon presentation and surrender of the attached interest coupons as they severally become due or until such principal sum shall have been paid or funds are duly provided in the "King County Limited Tax General Obligation Bond Redemption Fund" for such payment in full.

Both principal of and interest on this bond are payable in lawful money of the United States of America at the office of the Comptroller and ex-officio Treasurer of King County in Seattle, Washington, or, at the option of the holder, at either of the fiscal agencies of the State of Washington in the cities of Seattle, Washington or New York, New York.

King County has reserved the right to redeem any or all of the outstanding bonds of this issue in whole, or in part in inverse numerical order at the following times and prices expressed as a percentage of the principal amount plus accrued interest to the date of redemption:

On October 1, 1982, and each interest payment date to and including April 1, 1985	at 102%
On October 1, 1985, and each interest payment date to and including April 1, 1988	at 101%
On October 1, 1988, and any interest payment date there- after	at 100%

Notice of any such intended redemption shall be given by one publication thereof in the official King County news-

paper not more than 40 nor less than 30 days prior to such redemption date and by mailing a like notice at the same time to White, Wald & Co., Incorporated at its main office in New York, New York and to Marshall and Meyer, Incorporated at its main office in Seattle, Washington, or to the successor in business of each of said firms, if any, at their main offices. Interest on any bond or bonds so called for redemption shall cease on such redemption date unless the same are not redeemed upon presentation made pursuant to such call.

The County has further reserved the right to purchase any of the bonds of this issue for retirement at a purchase price not to exceed the redemption price which would be payable on the next redemption date to the holders of such bonds, plus accrued interest to the date of such purchase.

This bond is one of an issue of one thousand, seven hundred sixty-five bonds of like amount, date and tenor except as to number, interest rate and date of maturity in the aggregate principal amount of \$8,825,000, which bonds are issued for the purpose of providing part of the moneys necessary to refund outstanding general obligation bonds of the County in the principal amount of \$8,410,000.

The bonds of this refunding issue are issued under and in accordance with the Constitution and applicable statutes of the State of Washington, King County Ordinance No. 1807, adopted October 1, 1973, and all other duly adopted and applicable ordinances and resolutions of the County.

King County hereby irrevocably covenants that it will levy taxes annually, within and as a part of the tax levies permitted to the County without a vote of the people, upon all the taxable property in the County in amounts sufficient, with other moneys legally available therefor, to pay the principal of and interest on the bonds of this issue as the same shall become due. The full faith, credit and resources of the County are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

It is hereby certified that all acts, conditions and things required to be done precedent to and in the issuance of this bond have been done, have happened and have been performed as required by law, and that the total indebtedness of the County, including this bond and the bonds of this issue, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, King County, State of Washington, has caused this bond to be signed with the facsimile signature of the County Executive, to be attested by the manual signature of the Acting Clerk of the County Council, the seal of the County to be imprinted hereon and the interest coupons attached hereto to be signed with the facsimile signatures of said officials this first day of October, 1973.

KING COUNTY, WASHINGTON

By (Facsimile Signature)
County Executive

ATTEST:

Acting Clerk of the County Council

King County Treasurer's Reference No. _____

The interest coupons attached to the Refunding Bonds shall be in substantially the following form:

No. _____ \$ _____
(\$ _____)

On the first day of _____, 19__,
King County, Washington, will pay to bearer at the office of the Comptroller and ex-officio Treasurer of King County in Seattle, Washington, or, at the option of the holder, at either of the fiscal agencies of the State of Washington in the cities of Seattle, Washington, or New York, New York, the amount shown hereon in lawful money of the United States of America, said amount being the interest due that date on its general obligation refunding bond dated October 1, 1973, and numbered _____.

KING COUNTY, WASHINGTON

By _____ (Facsimile Signature)
County Executive

ATTEST:

(Facsimile Signature)
Acting Clerk of the County Council

King County Treasurer's Reference No. _____

Section 4. The Refunding Bonds shall be signed on behalf of the County by the facsimile signature of the County Executive, shall be attested by the manual signature of the Acting Clerk of the County Council and shall have the seal of the County affixed thereto by imprinting same thereon. Each of the interest coupons attached thereto shall be signed with the facsimile signatures of said officials.

Section 5. A special fund of the County has been duly created known as the "King County Limited Tax General Obligation Bond Redemption Fund" (hereinafter called the "Bond Redemption Fund") which fund shall be drawn upon for the purpose of paying the principal of and interest on the Refunding Bonds and other limited tax levy general obligation bonds of the County. The County hereby irrevocably covenants that for as long as any of the Refunding Bonds are outstanding it will make annual levies of taxes, within and as a part of the tax levies permitted to the County without a vote of the people, upon all the property within the County subject to taxation which, with other moneys legally available therefor, will be sufficient to pay the principal of and interest on the Refunding Bonds and any other limited tax levy general obligation bonds of the County payable out of such fund as such principal and interest shall become due. The full faith, credit and resources of the County are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest.

Section 6. The proceeds of sale of the Refunding Bonds (exclusive of accrued interest thereon and incidental cash not required to purchase the Acquired Obligations, if any, which shall be paid into the Bond Redemption Fund) shall be used immediately upon the receipt thereof to discharge the obligations

of the County under Ordinance No. 101, adopted August 18, 1969, authorizing the issuance of the 1969 Bonds and to discharge the obligations of the County under Ordinance No. 420, adopted April 6, 1970, authorizing the issuance of the 1970 Bonds by providing for the payment as hereinafter set forth in this section of the principal of, the interest on and redemption price of the 1969 Bonds and the 1970 Bonds. To the extent practicable, the County shall discharge such obligations by the use of certain moneys now held in the Bond Redemption Fund and by the purchase of certain "Government Obligations" as such obligations are defined in Ch. 39.53 RCW as now or hereafter amended (herein called "Acquired Obligations"), bearing such interest and maturing as to principal and interest in such amounts and at such times as will provide for the payment of:

- (a) The interest on the 1969 Bonds which interest will become due and payable on or before October 1, 1981.
- (b) The principal of the 1969 Bonds maturing on or before October 1, 1981.
- (c) The redemption price payable on October 1, 1981 for the principal of the 1969 Bonds maturing after October 1, 1981.
- (d) The interest on the 1970 Bonds which interest will become due and payable on or before June 1, 1981.
- (e) The principal of the 1970 Bonds maturing on or before June 1, 1982.
- (f) The redemption price payable on June 1, 1982 for the principal of the 1970 Bonds maturing after June 1, 1982.

Such money and Acquired Obligations shall be irrevocably deposited with the Comptroller and ex-officio Treasurer of King County in Seattle, Washington, (hereinafter called the

"Refunding Agent") in a special account of the Bond Redemption Fund, hereby created, to be known as "Refunding Account No. 00-000-840-1" (hereinafter called the "Refunding Account"). Any amounts described in subparagraphs (a) through (f) of this section which are not provided for in full by such money and the purchase and deposit of the Acquired Obligations described in this section shall be provided for by the irrevocable deposit of the necessary amount out of the proceeds of sale of the Refunding Bonds or any other moneys of the County legally available therefor. Any moneys remaining in the Refunding Account after the redemption and retirement of all of the 1969 Bonds and 1970 Bonds shall be deposited in the Bond Redemption Fund.

Section 7. The County hereby irrevocably calls for redemption on October 1, 1981 the 1969 Bonds maturing after October 1, 1981 in accordance with the provisions of Ordinance No. 101 of the County authorizing the redemption and retirement of the 1969 Bonds prior to their fixed maturities.

The County hereby irrevocably calls for redemption on June 1, 1982 the 1970 Bonds maturing after June 1, 1982 in accordance with the provisions of Ordinance No. 420 of the County authorizing the redemption and retirement of the 1970 Bonds prior to their fixed maturities.

The above calls for redemption shall be irrevocable after the delivery of the Refunding Bonds to the initial purchasers thereof and the Refunding Agent is hereby authorized and irrevocably directed to give notice of the redemption of the 1969 Bonds and the 1970 Bonds as provided in this section in accordance with the provisions of Ordinance No. 101 and Ordinance No. 420 respectively.

The Refunding Agent is hereby authorized and irrevocably directed to make the principal, interest and redemption price payments described in subparagraphs (a) through (f) inclusive of the immediately preceding section of this ordinance from the Acquired Obligations and any moneys deposited pursuant to such section. The moneys and Acquired Obligations deposited for the 1969 Bonds and the 1970 Bonds and any income therefrom shall be held, invested and applied in accordance with the provisions of Ordinance No. 101 and Ordinance No. 420 respectively, and in accordance with this ordinance and the statutes of the State of Washington.

The County will pay all necessary and proper expenses of the Refunding Agent for the 1969 Bonds and the 1970 Bonds.

Section 8. In the event that money and/or "Government Obligations," as such Obligations are defined in Ch. 39.53 RCW, as now or hereafter amended, 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 the Refunding Bonds in accordance with their terms, are set aside in the Bond Redemption Fund to effect such redemption and retirement, and such moneys and the principal of and interest on such Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Redemption Fund for the payment of the principal of and interest on the Refunding Bonds, and the Refunding Bonds and the coupons appurtenant thereto shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the moneys so set aside and pledged, and the Refunding

Bonds and such coupons shall be deemed not to be outstanding hereunder.

Section 9. The County hereby covenants that it will not make any use of the proceeds of sale of the Refunding Bonds or any other funds of the County which may be deemed to be proceeds of such Refunding Bonds pursuant to Section 103(d) (2) of the Internal Revenue Code and the applicable Regulations thereunder which, if such use had been reasonably expected on the date of delivery of the Refunding Bonds to the initial purchasers thereof, would have caused the Refunding Bonds to be "Arbitrage Bonds" within the meaning of said section and said Regulations. The County will comply with the requirements of subsection (d) of Section 103 of the Internal Revenue Code and the applicable Regulations thereunder throughout the term of the Refunding Bonds.

The County Council hereby finds and determines that the issuance and sale of the Refunding Bonds at this time will effect a saving to the County and its taxpayers. In making such finding and determination, this Council has given consideration to the interest to the fixed maturities of the Refunding Bonds and the 1969 Bonds and the 1970 Bonds being refunded, the costs of issuance of the Refunding Bonds and the known earned income from the investment of the proceeds of sale of the Refunding Bonds pending redemption of the 1969 Bonds and the 1970 Bonds.

The Council hereby finds and determines that the moneys and Acquired Obligations to be deposited with the Refunding Agent for the 1969 Bonds and the 1970 Bonds in accordance with Section 6 of this ordinance will discharge and satisfy the

obligations of the County under Ordinance No. 101 authorizing the issuance of the 1969 Bonds, the obligations of the County under Ordinance No. 420 authorizing the issuance of the 1970 Bonds and the pledges, charges, trusts, covenants and agreements of the County therein made or provided for as to said 1969 Bonds and 1970 Bonds, and that said 1969 Bonds and 1970 Bonds shall no longer be deemed to be outstanding under said Ordinances No. 101 and No. 420, respectively, immediately upon the deposit of such moneys and the Acquired Obligations with the Refunding Agent.

Section 10. The offer of White, Weld & Co., Incorporated, New York, New York and Marshall and Meyer, Incorporated, Seattle, Washington, dated October 1, 1973, to purchase the Refunding Bonds at \$1,009.545 for each \$1,000 principal amount of the Refunding Bonds plus accrued interest, if any, and to provide the Acquired Obligations specified therein, all under the terms and conditions provided in said offer and in this ordinance is hereby accepted.

The proper County officials are hereby authorized and directed to do everything necessary for the prompt execution and delivery of the Refunding Bonds to said purchaser and for the proper application and use of the proceeds of sale thereof.

Section 11. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the County 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 in this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Refunding Bonds.

Introduced and read for the first time the 24th day
of September, 1973.

Finally passed the 15 day of October, 1973.
KING COUNTY, WASHINGTON

By John T. Orskov
Chairman of the County Council

ATTEST:

Barbara M. Kinn
Acting Clerk of the County Council

APPROVED this 14 day of October, 1973.

[Signature]
County Executive