

1 January 22, 1987

INTRODUCED BY: 87-54

2 PROPOSED NO.: Greive

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5 ORDINANCE NO. **7953**

6
7 AN ORDINANCE providing for the issuance and
8 sale of tax anticipation notes of the county in
9 the aggregate principal amount of \$11,300,000 for
10 the purpose of providing funds to pay the current
11 expenses of the county pending the receipt of
12 taxes; providing the date, form, terms, maturities
and manner of sale of the notes; creating a
special account; providing and adopting certain
covenants safeguarding the payment of the principal
of and interest on those notes.

13 PREAMBLE:

14 Pursuant to Chapter 216, Laws of 1982 of the State
15 of Washington, as amended (the "Act"), codified as
16 Chapter 39.50 RCW, the county is authorized, among other
17 things, to borrow money in anticipation of the receipt
of taxes of the county and to evidence such borrowing by
tax anticipation notes of the county.

18 During 1987, the county will experience certain
19 months when it will not have cash on hand to pay its
current obligations and will need to borrow money to
make those payments.

20 In order to obtain a favorable rate of interest
21 and to facilitate the processing of payments of current
22 expenses it is deemed advisable that the county issue
and sell its tax anticipation notes in the aggregate
principal amount of \$11,300,000.

23 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

24 ARTICLE I

25 SECTION 1. Definitions. The following words and terms as
26 used in this ordinance shall have the following meanings, for all
27 purposes of this ordinance, unless some other meaning is plainly
28 intended or is required by the Act as in effect on the date of
29 this ordinance:

30 "Act" means Chapter 216, Laws of 1982 of the State of
31 Washington, as amended.

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2 County executive or deputy executive or director or acting
3 director of the office of finance of the county or the duly
4 authorized successor to the duties of such office, and such other
5 persons as may be designated from time to time by the county
6 executive.

7 "Co-paying Agents" means Seattle-First National Bank,
8 Seattle, Washington and IBJ Schroder Bank & Trust Company, New
9 York, New York, or their successors as fiscal agents of the State
10 of Washington.

11 "Note Fund" means the Tax Anticipation Note Account, 1987, in
12 the current expense fund of the county created by Article II,
13 Section 3 of this ordinance.

14 "Notes" means the Tax Anticipation Notes, 1987, of King
15 County authorized to be issued pursuant to Article II, Section 1
16 of this ordinance.

17 "Taxes" means any and all ad valorem regular property taxes
18 and excise taxes levied by the county, license fees and other
19 charges and revenue collected for King County which are not
20 required by law or ordinance to be paid into a special fund of
21 the county.

22 SECTION 2. Ordinance to Constitute Contract. In consid-
23 eration of the purchase and acceptance of any of the Notes
24 authorized to be issued hereunder by those who shall hold the
25 same from time to time, this ordinance shall be deemed to be and
26 shall constitute a contract between the county and the holders
27 from time to time of the Notes; and the pledge of and claim on
28 the Note Fund and the covenants and agreements set forth in this
29 ordinance to be performed on behalf of the county shall be for
30 the equal benefit, protection and security of the holders of any
31 and all of the Notes, all of which, regardless of the time or
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1 times of their delivery, shall be of equal rank without prefer-
2 ence, priority or distinction of any of the Notes over any other
3 thereof.

4 ARTICLE II

5 Creation, Amount, Designation and Purpose of Issue.

6 SECTION 1. Authorization, Purpose and Payment Pledge. The
7 county is authorized to borrow the sum of \$11,300,000 and to
8 evidence such borrowing by the issuance of obligations in like
9 principal amount to be designated "Tax Anticipation Notes, 1987,"
10 of King County (heretofore defined as the "Notes"). The Notes
11 are issued in anticipation of the receipt by the county of Taxes
12 for the county's current expense fund for the purpose of provid-
13 ing funds to enable the county to pay current expenses prior to
14 the receipt of such Taxes and to pay the expenses of issuing the
15 Notes. The county covenants that it will deposit sufficient
16 money with the Co-paying Agents, but solely from the sources
17 specified in Article II, Section 3 of this ordinance, to pay the
18 principal of and interest on the Notes when the same become due.
19 The county authorizes and directs the Co-paying Agents to pay the
20 principal of and interest on the Notes when due from money
21 provided by the county.

22 SECTION 2. Terms and Form of Notes. The Notes shall be
23 dated March 4, 1987, shall mature March 3, 1988, and shall be
24 substantially in the form attached as Appendix A hereto with such
25 appropriate variations, omissions and insertions as are permitted
26 or required by this ordinance. The Notes shall be negotiable and
27 payable to bearer. The county and the Co-paying Agents may treat
28 the bearer thereof as the absolute owner of any Note for the
29 purpose of receiving payment thereof and for all other purposes,
30 and neither the county nor the Co-paying Agents shall be affected
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1 The Notes shall be in denominations of integral multiples of
2 \$25,000, shall be numbered serially from 1 upwards and shall bear
3 interest payable at maturity at the rate fixed at the time of
4 their sale, computed on a 30-day month, 360-day year basis. The
5 Notes are not subject to redemption prior to their stated
6 maturity.

7 The Notes shall be executed on behalf of the county by the
8 facsimile signature of the county executive and attested by the
9 facsimile signature of the clerk of the council. The seal of the
10 county council shall be impressed or a facsimile thereof
11 imprinted on each Note. In case any person whose signature shall
12 appear on any Notes shall cease to be such officer before the
13 delivery of such Notes, such signature shall nevertheless be
14 valid and sufficient for all purposes, and such Notes may be
15 authenticated and delivered the same as if such officer had
16 remained an officer until such delivery. The Notes shall be
17 payable, both as to principal and interest, in immediately
18 available lawful money of the United States of America at the
19 principal corporate trust offices of the Co-paying Agents in
20 Seattle, Washington and New York, New York.

21 SECTION 3. Note Fund - Security and Sources of Payment of
22 Notes.

23 A. There is established a special account in the current
24 expense fund of the county to be known as the "Tax Anticipation
25 Note Account, 1987," (hereinbefore defined as the "Note Fund")
26 which account shall be drawn upon only for the payment of the
27 principal of and interest on the Notes. The county covenants and
28 agrees that it will deposit in the Note Fund on or before the 8th
29 day of January of 1988, at least the amount required for the
30 payment of the principal of and interest on the Notes at their
31 maturity out of Taxes received by the county and other money
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1 available to pay such principal and interest. In order to secure
2 the payment when due of the principal of and interest on the
3 Notes and the performance of any other obligation of the county
4 to the holders of the Notes, the county pledges to such payment
5 and performance all amounts from time to time on deposit in the
6 Note Fund and the current expense fund.

7 B. The county irrevocably pledges to include in its budget
8 and to levy Taxes annually, including ad valorem property taxes
9 within and as a part of the tax levy permitted to counties
10 without a vote of the people on all of the property in the county
11 subject to taxation in an amount sufficient, together with other
12 money legally available for such purpose and to be used therefor,
13 to pay the principal of and interest on the Notes as the same
14 shall become due, and the full faith, credit and resources of the
15 county are pledged irrevocably for the annual collection of those
16 taxes and the prompt payment of that principal and interest.

17 SECTION 4. Application of Proceeds. The county shall
18 deposit the proceeds of the issuance and sale of Notes into the
19 current expense fund of the county to be used, together with
20 other money on deposit in such fund, to pay the expenses and
21 obligations of the current expense fund when due and to pay the
22 costs of issuance of the Notes.

23 SECTION 5. Lost, Destroyed or Mutilated Notes. In the event
24 any Note is lost, destroyed or mutilated, the county will cause
25 to be issued a new Note, substantially similar to the original,
26 to replace the same, in such manner and upon such reasonable
27 terms and conditions as any Authorized Officer may from time to
28 time determine and in compliance with the laws of the State of
29 Washington.

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1 SECTION 6. Custody of Cancelled Notes. All Notes sur-
2 rendered to the Co-paying Agents upon the payment of the prin-
3 cipal and interest upon maturity thereof shall be cancelled by
4 the Co-paying Agents and forthwith transmitted to the county, and
5 thereafter the county shall have the custody of all thereof.

6 ARTICLE III

7 Representations and Warranties

8 The county represents, warrants and agrees as follows:

9 SECTION 1. Corporate Authority. The county has full legal
10 right, power and authority to: A. adopt this ordinance, B. sell,
11 issue and deliver the Notes as provided herein, and C. carry out
12 and consummate all other transactions contemplated by this
13 ordinance.

14 SECTION 2. Due Authorization and Approval of Ordinance
15 and Notes. By all necessary official action prior to or con-
16 currently herewith, the county has duly authorized and approved
17 the execution and delivery of, and the performance by the county
18 of its obligations contained in the Notes and in this ordinance
19 and the consummation by it of all other transactions necessary to
20 effectuate this ordinance in connection with the issuance of the
21 Notes, and such authorizations and approvals are in full force
22 and effect and have not been amended, modified or supplemented in
23 any material respect.

24 SECTION 3. Ordinance to Constitute Legal, Valid and Binding
25 Obligations of County. This ordinance constitutes a legal, valid
26 and binding obligation of the county.

27 SECTION 4. Notes to Constitute Legal, Valid and Binding
28 Obligations of County. The Notes, when issued and delivered,
29 will constitute the legal, valid and binding general obligations
30 of the county.

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1 to be maintained in the Borough of Manhattan, City and State of
2 New York.

3 SECTION 2. Notes to Remain Tax Exempt; Nonarbitrage. The
4 county covenants that it will not take or permit to be taken on
5 its behalf any action which would adversely affect the exemption
6 from federal income taxation of the interest on the Notes and
7 will take or require to be taken such acts as may reasonably be
8 within its ability and as may from time to time be required under
9 applicable law to continue the exemption from federal income
10 taxation of the interest on the Notes. Without limiting the
11 generality of the foregoing, the county covenants that it will
12 not issue an amount of Notes or take any action or fail to take
13 any action with respect to the investment of the proceeds of any
14 Notes or other funds which would result in constituting the Notes
15 "arbitrage bonds" within the meaning of such term as used in
16 Section 148 of the Internal Revenue Code of 1986 (the "Code"), or
17 which would violate Treasury Regulations under Section 148 of the
18 Code applicable to the Notes.

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20 The county represents that it has not been notified of any
21 listing or proposed listing by the Internal Revenue Service to
22 the effect that it is a bond issuer whose arbitrage certifica-
23 tions may not be relied upon.

24 SECTION 3. Use of Note Proceeds; Restrictions on Amendments.
25 The county covenants that none of the proceeds of the Notes will
26 be used for any purpose other than as provided in this ordinance
27 and that the county shall not suffer any amendment or supplement
28 to this ordinance, or any departure from the due performance of
29 the obligations of the county hereunder, which might materially
30 adversely affect the rights of the holders from time to time of
31 the Notes.

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1 SECTION 4. Financial Information. The county covenants that
2 it will make available for inspection by the Note holders, at the
3 office of finance of the county, a copy of the latest audit
4 report on the county's books and accounts and will also furnish a
5 copy thereof, upon request, to any Note holder.

6 ARTICLE V

7 Miscellaneous

8 SECTION 1. General Authorization. Each Authorized Officer
9 and the clerk of the council is authorized to do and perform from
10 time to time any and all acts and things consistent with this
11 ordinance necessary or appropriate to carry the same into effect.

12 SECTION 2. Successors of County. In the event that any
13 board, body or commission shall lawfully succeed to the principal
14 functions of the county under the Act or that the powers and
15 duties given to the county by the laws of the State of Washington
16 or King County Charter shall be lawfully transferred to some
17 other board, body or commission, all of the covenants, obliga-
18 tions and agreements contained in this ordinance by or on behalf
19 of or for the benefit of the county shall bind or inure to the
20 benefit of the successor or successors of the county from time to
21 time.

22 SECTION 3. Effect of Partial Invalidity. In case any one or
23 more of the provisions of this ordinance or of the Notes shall
24 for any reason be held to be illegal or invalid, such illegality
25 or invalidity shall not affect any other provision of this
26 ordinance or of the Notes, but this ordinance and the Notes shall
27 be construed and enforced as if such illegal or invalid provision
28 had not been contained therein. In case any covenant, obligation
29 or agreement contained in the Notes or in this ordinance shall
30 for any reason be held to be in violation of law, then such
31 covenant, obligation or agreement shall be deemed to be the
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1 covenant, obligation or agreement of the county to the full
2 extent permitted by law.

3 SECTION 4. Effect of Covenants, etc. All covenants, obliga-
4 tions and agreements of the county contained in this ordinance
5 shall be deemed to be covenants, obligations and agreements of
6 the county to the full extent authorized by the Act and permitted
7 by the Constitution of the State of Washington. No covenant,
8 obligation or agreement contained herein shall be deemed to be a
9 covenant, obligation or agreement of any present or future
10 member, agent or employee of the county in his or her individual
11 capacity, and the members of the county council, any Authorized
12 Officer and any person executing the Notes shall not be liable
13 personally on the Notes nor be subject to any personal liability
14 or accountability by reason of the issuance thereof. No member,
15 officer, agent or employee of the county shall incur any liabil-
16 ity in acting or proceeding or in not acting or not proceeding in
17 good faith in accordance with the terms of this ordinance and the
18 Act. This ordinance is passed with the intent that the laws of
19 the State of Washington shall govern its construction.

20 SECTION 5. Defeasance. In the event that cash and/or United
21 States Treasury obligations (or repurchase agreements of such
22 obligations) bearing such interest and maturity date or dates as
23 will assure the payment of the principal of and interest on any
24 Note at maturity are set aside in the Note Fund and irrevocably
25 pledged to the payment of such principal and interest, such Note
26 shall cease to be entitled to any lien, benefit or security of
27 this ordinance except the right to receive payment in full from
28 the cash and/or proceeds of such obligations (or repurchase
29 agreements) so set aside and pledged and such Note shall not be
30 deemed to be outstanding for any purpose.

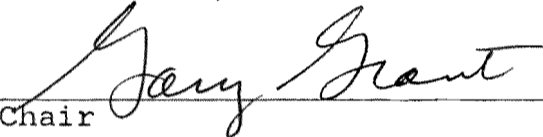
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1 SECTION 6. Sale of Notes. The Notes shall be sold at public
2 sale. Bids must be on an all or none basis and for a price not
3 less than the par amount of the Notes, together with accrued
4 interest to the date of delivery of the Notes to the purchaser.
5 The acting director of the office of finance is hereby directed
6 to cause a notice of such sale to be published at least once in a
7 financial newspaper or journal of general circulation throughout
8 the United States and to provide such other notice as he may deem
9 advisable. All actions heretofore taken by the acting director
10 of the office of finance in causing notice of the sale of the
11 Notes are hereby ratified and confirmed.


12 INTRODUCED and read for the first time this 26th day of
13 January, 1987.

14 PASSED this 9th day of February, 1987.

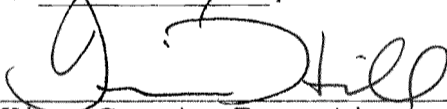
15 KING COUNTY COUNCIL
16 KING COUNTY, WASHINGTON

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18 Chair

19 ATTEST:

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21 Clerk of the Council

22 APPROVED this 10th day of February, 1987.

23 
24 King County Executive

APPENDIX A

\$ _____

No. _____

KING COUNTY

STATE OF WASHINGTON

TAX ANTICIPATION NOTE, 1987

KING COUNTY (the "County"), a municipal corporation of the State of Washington, for value received promises to pay to the order of Bearer on March 3, 1988 the sum of

DOLLARS

with interest at the rate of _____% per annum calculated on a 30-day month, 360-day year basis upon presentation and surrender of this Note at the principal corporate trust office of J. Henry Schroder Bank & Trust Company, New York, New York, or at the option of the holder, Seattle-First National Bank, Seattle, Washington (or any successor fiscal agent).

Pursuant to Ordinance No. _____ (the "Ordinance") passed by the County Council on _____, 1987, this Note is one of an authorized issue of Notes payable, as to both principal and interest, from the "Tax Anticipation Note Account, 1987," (the "Note Fund") in the Current Expense Fund of the County. The County, by the Ordinance, has covenanted and agreed to deposit in the Note Fund on or before the 8th day of January, 1988, the amount required for the payment of the principal of and interest on all of the Notes of this issue at their maturity.

This Note is a general obligation of the County. The County irrevocably pledges to budget and levy any and all ad valorem regular property taxes and excise taxes, license fees and other charges collected for King County which are to be paid into the Current Expense Fund of the County and are not required by law or ordinance to be paid into a special fund of the County in an amount sufficient, together with other money legally available and to be used therefor, to pay the principal of and interest on this Note and the full faith, credit and resources of the County are pledged irrevocably for the payment of such principal and interest.

The County has not reserved the right to redeem the Notes of this issue prior to their stated maturity.

It is certified and declared that this Note is issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and the ordinances and Charter of the County, and all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Note do exist, have happened and have been performed as provided by law.

IN WITNESS WHEREOF, King County, Washington, has caused this Note to be executed with the facsimile signature of the King County Executive and attested to by the facsimile signature of the Clerk of the County Council and the official seal of the

1 County Council to be imprinted hereon this 4th day of March,
1987.

2 KING COUNTY

3 [S E A L]

4 By (Facsimile Signature)
King County Executive

5 ATTEST

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7 By (Facsimile Signature)
Clerk of the Council

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