

1 January 20, 1988

INTRODUCED BY: RON SIMS

2 PROPOSED NO.: 88 - 88

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4
5 ORDINANCE NO. 8410

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 \$8,000,000 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; and 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 1988, 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 \$8,000,000.

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.

1 "Authorized Officer" means any of the following: The King
2 County executive or deputy executive or the finance division
3 manager of the county or the duly authorized successor to the
4 duties of such office, and such other persons as may be desig-
5 nated from time to time by the county executive.

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

10 "Note Fund" means the Tax Anticipation Note Account, 1988, in
11 the current expense fund of the county created by Article II,
12 Section 3 of this ordinance.

13 "Notes" means the Tax Anticipation Notes, 1988, of King
14 County authorized to be issued pursuant to Article II, Section 1
15 of this ordinance.

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

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

3 ARTICLE II

4 Creation, Amount, Designation and Purpose of Issue.

5 SECTION 1. Authorization, Purpose and Payment Pledge. The
6 county is authorized to borrow the sum of \$8,000,000 and to
7 evidence such borrowing by the issuance of obligations in like
8 principal amount to be designated "Tax Anticipation Notes, 1988,"
9 of King County. The Notes are issued in anticipation of the
10 receipt by the county of Taxes for the county's current expense
11 fund for the purpose of providing funds to enable the county to
12 pay current expenses prior to the receipt of such Taxes and to
13 pay the expenses of issuing the Notes. The county covenants that
14 it will deposit sufficient money with the Co-paying Agents, but
15 solely from the sources specified in Article II, Section 3 of
16 this ordinance, to pay the principal of and interest on the Notes
17 when the same become due. The county authorizes and directs the
18 Co-paying Agents to pay the principal of and interest on the
19 Notes when due from money provided by the county.

20 SECTION 2. Terms and Form of Notes. The Notes shall be
21 dated March 3, 1988, shall mature March 2, 1989, and shall be
22 substantially in the form attached as Appendix A hereto with such
23 appropriate variations, omissions and insertions as are permitted
24 or required by this ordinance. The Notes shall be negotiable and
25 payable to bearer. The county and the Co-paying Agents may treat
26 the bearer thereof as the absolute owner of any Note for the
27 purpose of receiving payment thereof and for all other purposes,
28 and neither the county nor the Co-paying Agents shall be affected
29 by any notice or knowledge to the contrary. The Notes shall be
30 in denominations of integral multiples of \$25,000, shall be
31 numbered serially from 1 upwards and shall bear interest payable
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1 at maturity at the rate fixed at the time of their sale, computed
2 on a 30-day month, 360-day year basis. The Notes are not subject
3 to redemption prior to their stated maturity.

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

18 SECTION 3. Note Fund - Security and Sources of Payment of
19 Notes.

20 A. There is established a special account in the current
21 expense fund of the county to be known as the "Tax Anticipation
22 Note Account, 1988," which account shall be drawn upon only for
23 the payment of the principal of and interest on the Notes. The
24 county covenants and agrees that it will deposit in the Note Fund
25 on or before the 8th day of January of 1989, at least the amount
26 required for the payment of the principal of and interest on the
27 Notes at their maturity out of Taxes received by the county and
28 other money available to pay such principal and interest. In
29 order to secure the payment when due of the principal of and
30 interest on the Notes and the performance of any other obligation
31 of the county to the holders of the Notes, the county pledges to
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1 such payment and performance all amounts from time to time on
2 deposit in the Note Fund and the current expense fund.

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

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

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

26 SECTION 6. Custody of Cancelled Notes. All Notes sur-
27 rendered to the Co-paying Agents upon the payment of the princi-
28 pal and interest upon maturity thereof shall be cancelled by the
29 Co-paying Agents and forthwith transmitted to the county, and
30 thereafter the county shall have the custody of all thereof.

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ARTICLE III

Representations and Warranties

The county represents, warrants and agrees as follows:

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

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

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

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

SECTION 5. No Breach or Default. The adoption of this ordinance, and compliance on the county's part with the provisions contained herein, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond note, resolution, ordinance, motion, agreement or

1 other instrument to which the county is a party or to which the
2 county or any of its property or assets are otherwise subject,
3 nor will any such adoption, execution, delivery, sale, issuance
4 or compliance result in the creation or imposition of any lien,
5 charge or other security interest or encumbrance of any nature
6 whatsoever upon any of the property or assets of the county or
7 under the terms of any such law, regulation or instrument, except
8 as provided by the Notes and this ordinance.

9 ARTICLE IV

10 Covenants of the County

11 SECTION 1. Punctual Payment of Notes. The county covenants
12 that it will duly and punctually pay or cause to be paid the
13 principal of and interest on every Note at the places, on the
14 date and in the manner provided herein and in the Notes. The
15 principal and interest on the Notes are payable solely from the
16 funds pledged therefor by this ordinance, and, except as provided
17 herein, nothing in the Notes or in this ordinance shall be
18 construed as obligating the State of Washington or any political
19 subdivision thereof, other than the county, to pay the Notes or
20 the interest, if any, thereon or as pledging the faith and credit
21 or taxing power of the State of Washington or of any such poli-
22 tical subdivision.

23 As long as any Notes are outstanding, the county will cause
24 an office or agency where any Notes may be presented for payment
25 to be maintained in the Borough of Manhattan, City and State of
26 New York.

27 SECTION 2. Notes to Remain Tax Exempt; Nonarbitrage. The
28 county covenants that it will not take or permit to be taken on
29 its behalf any action which would adversely affect the exemption
30 from federal income taxation of the interest on the Notes and
31 will take or require to be taken such acts as may reasonably be

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1 within its ability and as may from time to time be required under
2 applicable law to continue the exemption from federal income
3 taxation of the interest on the Notes. Without limiting the
4 generality of the foregoing, the county covenants that it will
5 not issue an amount of Notes or take any action or fail to take
6 any action with respect to the investment of the proceeds of any
7 Notes or other funds which would result in constituting the Notes
8 "arbitrage bonds" within the meaning of such term as used in
9 Section 148 of the Internal Revenue Code of 1986 (the "Code"), or
10 which would violate Treasury Regulations under Section 148 of the
11 Code applicable to the Notes.

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

16 SECTION 3. Use of Note Proceeds; Restrictions on Amendments.

17 The county covenants that none of the proceeds of the Notes will
18 be used for any purpose other than as provided in this ordinance
19 and that the county shall not suffer any amendment or supplement
20 to this ordinance, or any departure from the due performance of
21 the obligations of the county hereunder, which might materially
22 adversely affect the rights of the holders from time to time of
23 the Notes.

24 SECTION 4. Financial Information. The county covenants that
25 it will make available for inspection by the Note holders, at the
26 finance division of the county, a copy of the latest audit report
27 on the county's books and accounts and will also furnish a copy
28 thereof, upon request, to any Note holder.

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ARTICLE V

Miscellaneous

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

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

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

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

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

26 SECTION 6. Sale of Notes. The Notes shall be sold at public
27 sale. Bids must be on an all or none basis and for a price not
28 less than the par amount of the Notes, together with accrued
29 interest to the date of delivery of the Notes to the purchaser.
30 The finance division manager is hereby directed to cause a notice
31 of such sale to be published at least once in a financial
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1 newspaper or journal of general circulation throughout the United
2 States and to provide such other notice as he may deem advisable.
3 All actions heretofore taken by the finance division manager in
4 causing notice of the sale of the Notes are hereby ratified and
5 confirmed. The finance division manager is hereby authorized, on
6 behalf of the county, to approve any offering circular or offi-
7 cial statement prepared with respect to the Notes.

8 INTRODUCED and read for the first time this 25th day of
9 January, 1988.

10 PASSED this 1st day of February, 1988.

11 KING COUNTY COUNCIL
12 KING COUNTY, WASHINGTON

13 Gary Grant
14 Chair

15 ATTEST:

16 Dorothy M. Owens
17 Clerk of the Council

18 APPROVED this 11th day of February, 1988.

19 Jim Hill
20 King County Executive

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APPENDIX A

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\$ _____

No. _____

KING COUNTY

STATE OF WASHINGTON

TAX ANTICIPATION NOTE, 1988

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 2, 1989 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 IBJ 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 _____, 1988, this Note is one of an authorized issue of Notes payable, as to both principal and interest, from the "Tax Anticipation Note Account, 1988" (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, 1989, 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

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1 County Council to be imprinted hereon this 3rd day of March,
1988.

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KING COUNTY

[S E A L]

By (Facsimile Signature)
King County Executive

ATTEST

By (Facsimile Signature)
Clerk of the Council