

September 24, 1992

INTRODUCED BY: AUDREY CRUGER

PROPOSED NO. 92-733

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ORDINANCE NO. 10569

AN ORDINANCE providing for the issuance and sale of a limited tax levy general obligation bond anticipation note of the county in the aggregate principal amount of not to exceed \$1,526,000 for the purpose of providing funds to reimburse the county for costs of acquisition of real and personal property for county purposes; providing the date, form, terms and maturities of said note; providing for the disposition of the proceeds of sale; establishing funds for the receipt and expenditure of note proceeds and for the payment of the note, and declaring an emergency.

PREAMBLE:

The county council has previously reviewed and approved acquisition of the Lafayette Building (Ordinance No. 10092).

Federal tax laws require that debt obligations be incurred by the county to reimburse it for acquisition of the Lafayette Building within one year of such acquisition. The County acquired the Lafayette Building on September 30, 1991.

It is deemed necessary and advisable that the county now issue and sell its limited tax levy general obligation bond anticipation note in an amount not to exceed \$1,526,000 to reimburse the county for such previous capital expenditure,.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Definitions. The following words and terms as used in this ordinance shall have the following meanings for all purposes of this ordinance, unless some other meaning is plainly intended.

A. "Bonds" or "Bond" means all or a portion of the King County, Washington, Limited Tax General Obligation Bonds (Various Purpose), 1992 Series A, authorized pursuant to this ordinance.

1           B. "Chief Financial Officer" means the person serving as  
2 the chief financial officer of the Office of Financial Manage-  
3 ment of King County or the county officer who succeeds to the  
4 duties now delegated to that office.

5           C. "Code" means the Internal Revenue Code of 1986, as  
6 amended. Any reference to a provision of the Code shall include  
7 the applicable regulations of the Department of the Treasury  
8 promulgated or proposed with respect to such provision.

9           D. "County Finance Manager" means the manager of the  
10 finance division of the King County Office of Financial Manage-  
11 ment or any other county officer who succeeds to the duties now  
12 delegated to that office.

13           E. "Harborview Medical Center Operating Fund" means the  
14 Harborview Medical Center Operating Fund heretofore created by  
15 the county.

16           F. "Note" means the interest bearing bond anticipation  
17 note in the principal amount not exceeding \$1,526,000 to be  
18 issued pursuant to this ordinance to provide interim financing  
19 for the purpose set forth herein.

20           G. "Note Fund" means the special fund of the county  
21 designated as the "Limited Tax General Obligation Bond  
22 Anticipation Note Fund, 1992," authorized to be created by  
23 Section 13 hereof.

24           H. "Note Register" means the registration books main-  
25 tained by the Note Registrar for purposes of identifying owner-  
26 ship of the Note.

27           I. "Note Registrar" means the fiscal agency of the State  
28 of Washington in either Seattle, Washington, or New York, New  
29 York, for the purposes of registering and authenticating the  
30 Note, maintaining the Note Register, effecting the transfer of  
31 ownership of the Note and paying interest on and principal of  
32 the Note.

1            SECTION 2. Finding. The King county council hereby makes  
2 the following finding:

3            The issuance of a limited tax levy general obligation bond  
4 anticipation note to pay the costs of the acquisition of the  
5 Lafayette Building as approved in Ordinance No. 10092 and to  
6 reimburse the County for previous capital expenditures  
7 authorized therein, payable from regular property taxes, will  
8 reduce the overall costs of borrowing such funds and is in the  
9 best interests of the county and its citizens.

10           SECTION 3. Authorization Bonds.

11           For the purpose of providing funds to provide permanent  
12 financing for the acquisition of the Lafayette Building and a  
13 portion of the necessary expenses in connection therewith (the  
14 "Project"), there shall be issued and sold limited tax general  
15 obligation bonds of the county to be designated "King County,  
16 Washington Limited Tax General Obligation Bonds, 1992, Series A  
17 (Various Purpose)" (the "Bonds").

18           The Bonds shall be in such denominations and form; shall be  
19 dated, and bear interest at such rate or rates; shall be payable  
20 at such place or places; and shall have such option of payment  
21 prior to maturity as provided hereafter by ordinance of the  
22 council. The proceeds of the Bonds shall be paid into the Note  
23 Fund and shall be applied to the extent necessary, together with  
24 other available funds, to pay and redeem the Note.

25           SECTION 4. Purpose, Authorization and Description of  
26 Note; Use of Depository.

27           A. Purpose and Authorization of Note. In order to  
28 provide interim financing for the Project and in anticipation of  
29 the issuance of the Bonds, the county shall issue its short term  
30 obligation in the form of a bond anticipation note in the  
31 aggregate principal amount not to exceed \$1,526,000.  
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1           B. Description.     The note shall be designated "King  
2 County, Washington, Limited Tax General Obligation Bond  
3 Anticipation Note, 1992," shall be in substantially the form  
4 described in Section 7 hereof, shall be dated as of the date of  
5 delivery, shall be in fully registered form, and shall mature on  
6 September 30, 1993.     The note shall bear interest on unpaid  
7 principal from the date of authentication and delivery of the  
8 note equal to 70% of the prime rate of Settle-First National  
9 Bank (but not to exceed 7.0% per annum), as such rate is  
10 announced from time to time, payable on September 30, 1993 or  
11 upon earlier redemption.     Interest shall be calculated on the  
12 basis of a year of 360 days and twelve 30-day months.

13           C. Place, Manner and Medium of Payment.     Principal of and  
14 interest on the Note shall be payable at maturity or on such  
15 date as may be fixed for prior redemption upon representation  
16 and surrender of the Note by the owner at either principal  
17 office of the Note Registrar in Seattle, Washington, or New  
18 York, New York, at the option of such owner.

19           SECTION 5. Optional Redemption of Note.     The county reser-  
20 ves the right to redeem the Note in whole at any time at par  
21 plus accrued interest to the date of redemption.     The Note  
22 purchased or redeemed under this section shall be canceled by  
23 the Note Registrar and shall not be reissued.

24           SECTION 6. Notice and Effect of Redemption.     Unless waived  
25 by the registered owner of Note to be redeemed or the nominee of  
26 such owner, official notice of any such redemption shall be  
27 given by the Note Registrar on behalf of the county by mailing a  
28 copy of an official redemption notice by certified or registered  
29 mail, postage prepaid, not less than 10 nor more than 30 days  
30 prior to the date fixed for redemption, to the registered owner  
31 of the Note to be redeemed at the address shown on the Note  
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1 Register or at such other address as is furnished in writing by  
2 such registered owner to the Note Registrar.

3 All official notices of redemption shall be dated and shall  
4 state:

5 A. the redemption date;

6 B. the redemption price;

7 C. that on the redemption date the redemption price will  
8 become due and payable upon such Note called for redemption, and  
9 that interest thereon shall cease to accrue from and after said  
10 date; and

11 D. the place where such Note is to be surrendered for  
12 payment of the redemption price, which place of payment shall be  
13 either of the principal offices of the Note Registrar.

14 Prior to any redemption date, the county shall deposit with  
15 the Note Registrar an amount of money sufficient to pay the  
16 redemption price of the Note which is to be redeemed on that  
17 date.

18 Both the principal of and interest on the Note are payable  
19 solely from the proceeds of the sale of the Bonds or refunding  
20 bond anticipation notes to be issued by the county or from any  
21 funds of the county legally therefor. The county hereby  
22 covenants with the registered owner of the Note that it will  
23 issue the Bonds, refunding bond anticipation notes or a  
24 combination of the foregoing in an amount sufficient, with any  
25 legally available funds, to pay when due the principal of and  
26 interest on the Note and will thereupon redeem the Note. The  
27 county hereby covenants that it will issue the Bonds or levy  
28 taxes upon all taxable property within the county subject to  
29 taxation in amounts within and as a part of the levy permitted  
30 to counties without a vote of the electors and at times  
31 sufficient, with other legally available funds of the county, to  
32 pay and redeem the Note as the same becomes due and payable.



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This note is subject to redemption prior to its scheduled maturity at any time at a price of par, subject to the notice provisions contained in the Note Ordinance.

The County hereby irrevocably covenants and agrees with the Registered Owner of this note that it will keep and perform all the covenants of this note and of the Note Ordinance to be by it kept and performed. Reference is hereby made to the Note Ordinance for a complete statement of such covenants and for the definition of capitalized terms used herein.

This note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Note Ordinance until the Certificate of Authentication hereon shall have been manually signed by the Note Registrar.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this note have happened, been done and performed and that the issuance of this note and the notes of this series does not violate any constitutional, statutory or other limitation upon the amount of indebtedness that the County may incur.

IN WITNESS WHEREOF, King County, Washington, has caused this note to be signed with the manual or facsimile signature of the County Executive and attested by the manual or facsimile signature of the Clerk of its County Council, and the seal of the County to be impressed or a facsimile thereof to be imprinted hereon, as of this 29th day of September, 1992.

KING COUNTY, WASHINGTON

By \_\_\_\_\_  
County Executive

ATTEST:  
  
\_\_\_\_\_  
Clerk of the County Council

CERTIFICATE OF AUTHENTICATION

This note is the note described in the within-mentioned Note Ordinance and is the Limited Tax General Obligation Bond Anticipation Notes, 1992 of King County, Washington, dated as of September 29, 1992.

WASHINGTON STATE FISCAL  
AGENCY, Note Registrar

By \_\_\_\_\_  
Authorized Officer

The following abbreviations, when used in the inscription on the face of the within note, shall be construed as though

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they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common  
TEN ENT - as tenants by the entireties  
JT TEN - as joint tenants with  
right of survivorship and  
not as tenants in common  
UNIF GIFT (TRANSFERS) MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)  
under Uniform Gifts (Transfers) to Minors  
Act \_\_\_\_\_  
(State)

Additional abbreviations may also be used though not in list above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER OF TRANSFEREE / \_\_\_\_\_ /

(Please print or typewrite name and address, including zip code, of Transferee)

the within note and does hereby irrevocably constitute and appoint \_\_\_\_\_, attorney in fact to transfer said note on the books kept for registration thereof with full power of substitution in the premises.

DATED: \_\_\_\_\_

SIGNATURE GUARANTEED:

NOTE: The signature on this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within note in every particular, without alteration or enlargement or any change whatever.

SECTION 8. Execution of Note. The Note shall be executed on behalf of the county with the manual or facsimile signatures of the county executive and the clerk of the council, and shall have the seal of the county impressed or imprinted thereon.



1           In case either or both of the officers who shall have ex-  
2           ecuted the Note shall cease to be an officer or officers of the  
3           county before the Note so signed shall have been authenticated  
4           or delivered by the Note Registrar, or issued by the county,  
5           such Note may nevertheless be authenticated, delivered and  
6           issued and upon such authentication, delivery and issuance,  
7           shall be as binding upon the county as though those who signed  
8           the same had continued to be such officers of the county. Any  
9           Note also may be signed and attested on behalf of the county by  
10          such persons as at the actual date of execution of such Note  
11          shall be the proper officers of the county although at the  
12          original date of such Note any such person shall not have been  
13          such officer of the county.

14           Only such Note as shall bear thereon a Certificate of  
15          Authentication in the form hereinbefore recited, manually  
16          executed by the Note Registrar, shall be valid or obligatory for  
17          any purpose or entitled to the benefits of this ordinance. Such  
18          Certificate of Authentication shall be conclusive evidence that  
19          the Note so authenticated have been duly executed, authenticated  
20          and delivered hereunder and are entitled to the benefits of this  
21          ordinance.

22           SECTION 9. Note Registrar. The Note Registrar shall keep,  
23          or cause to be kept, at its principal corporate trust office,  
24          sufficient books for the registration and transfer of the Note  
25          which shall at all times be open to inspection by the county.  
26          Such Note Register shall contain the name and mailing address of  
27          the owner of the Note or nominee of such owner and the principal  
28          amount and number of the Note held by each owner or nominee.

29           The Note Registrar is authorized, on behalf of the county,  
30          to authenticate and deliver the Note and to carry out all of the  
31          Note Registrar's powers and duties under this ordinance.  
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1           The Note Registrar shall be responsible for its representa-  
2 tions contained in the Certificate of Authentication on the  
3 Note. The Note Registrar may become the owner of Note with the  
4 same rights it would have if it were not the Note Registrar, and  
5 to the extent permitted by law may act as depository for and  
6 permit any of its officers or directors to act as a member of,  
7 or in any other capacity with respect to, any committee formed  
8 to protect the rights of Note owners.

9           The county and the Note Registrar, each in its discretion,  
10 may deem and treat the registered owner of the Note as the ab-  
11 solute owner thereof for all purposes, and neither the county  
12 nor the Note Registrar shall be affected by any notice to the  
13 contrary.

14           SECTION 10. Mutilated, Lost, or Destroyed Note. If any  
15 Note shall become mutilated, the Note Registrar shall authenti-  
16 cate and deliver a new Note of like series, amount, date, inter-  
17 est rate and tenor in exchange and substitution for the Note so  
18 mutilated, upon the owner's paying the expenses and charges of  
19 the county and the Note Registrar in connection therewith and  
20 upon surrender to the Note Registrar of the Note so mutilated.  
21 Every mutilated Note so surrendered shall be canceled and  
22 destroyed by the Note Registrar.

23           In case the Note or any of them shall be lost, stolen or  
24 destroyed, the Note Registrar may authenticate and deliver a new  
25 Note or Note of like amount, date, and tenor to the registered  
26 owner thereof upon the owner's paying the expenses and charges  
27 of the county and the Note Registrar in connection therewith and  
28 upon his/her filing with the Note Registrar evidence satisfac-  
29 tory to the Note Registrar that such Note or Note were actually  
30 lost, stolen or destroyed and of his/her ownership thereof, and  
31 upon furnishing the county and Note Registrar with indemnity  
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1 satisfactory to the Chief Financial Officer or County Finance  
2 Manager and the Note Registrar.

3 SECTION 11. Covenants and Warranties. The county makes  
4 the following covenants and warranties:

5 A. The county has full legal right, power and authority  
6 to adopt this ordinance, to sell, issue and deliver the Note as  
7 provided herein, and to carry out and consummate all other  
8 transactions contemplated by this ordinance.

9 B. By all necessary official action prior to or concur-  
10 rently herewith, the county has duly authorized and approved the  
11 execution and delivery of, and the performance by the county of  
12 its obligations contained in the Note and in this ordinance and  
13 the consummation by it of all other transactions necessary to  
14 effectuate this ordinance in connection with the issuance of the  
15 Note, and such authorizations and approvals are in full force  
16 and effect and have not been amended, modified or supplemented  
17 in any material respect.

18 C. This ordinance constitutes a legal, valid and binding  
19 obligation of the county.

20 D. The Note, when issued, sold, authenticated and  
21 delivered, will constitute the legal, valid and binding general  
22 obligations of the county.

23 E. Until the Note shall have been surrendered and  
24 canceled, the county will maintain a system of recording the  
25 ownership of the Note that complies with the applicable  
26 provisions of the Code.

27 F. The adoption of this ordinance, and compliance on the  
28 county's part with the provisions contained herein, will not  
29 conflict with or constitute a breach of or default under any  
30 constitutional provisions, law, administrative regulation,  
31 judgment, decree, loan agreement, indenture, resolution,  
32 ordinance, motion, agreement or other instrument to which the

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

9 G. The county finds and covenants that the Note is issued  
10 within all statutory and constitutional debt limitations  
11 applicable to the county.

12 H. None of the proceeds of the Note will be used for any  
13 purpose other than as provided in this ordinance and that the  
14 county shall not suffer any amendment or supplement to this  
15 ordinance, or any departure from the due performance of the  
16 obligations of the county hereunder, which might materially  
17 adversely affect the rights of the owners from time to time of  
18 the Note.

19 I. The county will make available for inspection by the  
20 Note owner, at the office of financial management, a copy of the  
21 latest audit report of the state auditor on the county's books  
22 and accounts and will also furnish a copy thereof, upon request,  
23 to any Note owner.

24 SECTION 12. Application of Note Proceeds. There has  
25 heretofore been created in the office of financial management of  
26 the county the "Harborview Medical Center Operating Fund" into  
27 which shall be deposited all of the Note proceeds at the time of  
28 delivery of the Note and which shall be used to reimburse the  
29 county for previously incurred costs for acquisition of the  
30 Lafayette Building.

31 SECTION 13. Note Fund. There has heretofore been created  
32 in the office of financial management of the county a special

1 fund to be drawn upon for the purpose of paying the principal of  
2 and interest on the limited tax general obligations of the  
3 county. There is hereby created within said fund a special  
4 account of the county to be known as the "Limited Tax General  
5 Obligation Bond Anticipation Note Fund, 1992" (the "Note Fund"),  
6 which Note Fund shall be drawn upon for the sole purpose of  
7 paying the principal of and interest on the Note. Money on  
8 deposit in the Note Fund not immediately needed to pay such  
9 interest or principal may be temporarily deposited on such  
10 institutions or invested in any obligations which are legal  
11 investments for county funds. Any interest or profit from the  
12 investment of such money shall be deposited into the Note Fund.

13 SECTION 14. Tax-Exemption. The county shall comply with  
14 the provisions of this section unless, in the written opinion of  
15 nationally-recognized bond counsel to the county, such com-  
16 pliance is not required in order to maintain the exemption of  
17 the interest on the Note from federal income taxation.

18 The county hereby covenants that it will not make any use  
19 of the proceeds from the sale of the Note or any other funds of  
20 the county which may be deemed to be proceeds of such Note  
21 pursuant to Section 148 of the Code and the applicable regula-  
22 tions thereunder which will cause the Note to be "arbitrage  
23 bond" within the meaning of the Code. The county will comply  
24 with the applicable requirements of Section 148 of the Code (or  
25 any successor provision thereof applicable to the Note) and the  
26 applicable regulations thereunder throughout the term of the  
27 Note.

28 The county further covenants that it will not take any  
29 action or permit any action to be taken that would cause the  
30 Note to constitute a "private activity bond" under Section 141  
31 of the Code.  
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1            SECTION 15. Sale of Note.    The sale of the Note to  
2 Seattle-First National Bank, Seattle, Washington, upon the  
3 terms, conditions, and covenants, as set forth in this  
4 ordinance, and at a price of par, is hereby approved, ratified  
5 and confirmed.

6            SECTION 16. Authorization of Temporary Note.    Until the  
7 definitive Note is prepared, the county may, if deemed necessary  
8 by the county council, utilized a temporary Note which shall be  
9 typewritten, and which shall be delivered to Seattle-First  
10 National Bank in lieu of a definitive Note, but subject to the  
11 same provisions, limitations and conditions as the definitive  
12 Note.    The temporary Note shall be dated as of the date of  
13 issuance thereof, shall be in the denomination of the original  
14 principal amount of notes shall be substantially of the tenor of  
15 such definitive Note, but with such omissions, insertions and  
16 variations as may be appropriate to a temporary Note, and shall  
17 be signed by the County Executive and Clerk of the County Council.

18            Upon surrender to the county of the temporary Note, the  
19 county, without charge to the owner, shall execute and deliver  
20 to the owner of the temporary Note, in exchange therefor, a  
21 definitive Note of the same maturity, interest rate, redemption  
22 provisions and aggregate principal amount as the temporary Note,  
23 if any, surrendered.    Until so exchanged, the temporary Note  
24 shall be in all respects entitled to the same benefit and  
25 security as the definitive Note executed and issued pursuant to  
26 this ordinance.

27            SECTION 17. General Authorization.    The appropriate county  
28 officials, agents and representatives are hereby authorized and  
29 directed to do everything necessary for the prompt sale,  
30 issuance, execution and delivery of the Note, and for the proper  
31 use and application of the proceeds of the sale thereof.  
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1           SECTION 18. Advance Refunding or Defeasance. The county  
2 may issue advance refunding bonds pursuant to the laws of the  
3 State of Washington or use money available from any other lawful  
4 source to pay when due the principal of and interest on the  
5 Note, or any portion thereof included in a refunding or defea-  
6 sance plan, and to redeem and retire, refund or defease the  
7 then-outstanding Note and to pay the costs of the refunding or  
8 defeasance.

9           In the event that money and/or noncallable "Government  
10 Obligations," as such obligations are defined in chapter 39.53  
11 RCW, as now or hereafter amended, maturing at such time or times  
12 and bearing interest to be earned thereon in amounts (together  
13 with such money, if necessary) sufficient to redeem and retire,  
14 refund or defease part or all of the Note in accordance with its  
15 terms, are set aside in a special account of the county to  
16 effect such redemption and retirement, and such moneys and the  
17 principal of and interest on such Government Obligations are  
18 irrevocably set aside and pledged for such purpose, then no  
19 further payments need be made into the Note Fund for the payment  
20 of the principal of and interest on the Note so provided for,  
21 and such Note shall cease to be entitled to any lien, benefit or  
22 security of this ordinance except the right to receive the  
23 moneys so set aside and pledged, and such Note shall be deemed  
24 not to be outstanding hereunder.

25           SECTION 19. Contract; Severability. The covenants con-  
26 tained in this ordinance shall constitute a contract between the  
27 county and the owner of the Note. If any one or more of the  
28 covenants or agreements provided in this ordinance to be  
29 performed on the part of the county shall be declared by any  
30 court of competent jurisdiction to be contrary to law, then such  
31 covenant or covenants, agreement or agreements, shall be null  
32 and void and shall be deemed separable from the remaining

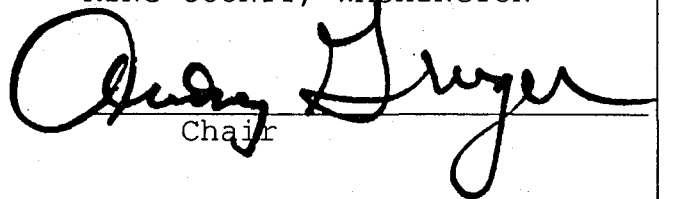
1 covenants and agreements of this ordinance and shall in no way  
2 affect the validity of the other provisions of this ordinance or  
3 of the Note.

4 SECTION 20 . Declaration of Emergency. The county council  
5 finds as a fact and declares that an emergency exists and that  
6 this ordinance is necessary for the immediate preservation of  
7 public peace, health or safety or for the support of county  
8 government and its existing public institutions.

9 INTRODUCED AND READ for the first time this 28<sup>th</sup> day of  
10 September, 1992.

11 PASSED this 28<sup>th</sup> day of September, 1992.

12 KING COUNTY COUNCIL  
13 KING COUNTY, WASHINGTON

14   
15 Chair

16 ATTEST:

17   
18 Clerk of the Council

19 APPROVED this 24 day of September, 1992.

20   
21 King County Executive

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