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_____, 1994

INTRODUCED BY: PETE VON REICHBAUER

PROPOSED NO. 94 - 198

KING COUNTY, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BOND ANTICIPATION NOTE, 1994A

\$65,000,000

ORDINANCE NO. **11637**

AN ORDINANCE amending Ordinance No. 11551 of the County, passed on October 24, 1994, by increasing to \$65,000,000 the maximum principal amount of the line of credit established with Seattle-First National Bank pursuant to such ordinance to provide interim financing for the costs of certain capital improvements to and maintenance of the Kingdome and expenses related thereto, including legal and contractual expenses; authorizing the issuance to such bank of a limited tax general obligation bond anticipation note of the County in the principal amount of not to exceed \$65,000,000 in exchange for the note issued pursuant to such ordinance; providing the date, form, terms and conditions of said note; authorizing the issuance of limited tax general obligation bonds of the County to provide funds to pay and redeem said note; authorizing procedures for draws on the line of credit secured by such note; and declaring an emergency.

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* This Table of Contents and the Cover Page are not a part of this ordinance and are included only for the convenience of the reader.

December 1, 1994

Introduced By:

PETE VON REICHBAUER

Proposed No.:

94-798

ORDINANCE NO. **11637**

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AN ORDINANCE amending Ordinance No. 11551 of the County, passed on October 24, 1994, by increasing to \$65,000,000 the maximum principal amount of the maximum principal amount of the line of credit established with Seattle-First National Bank pursuant to such ordinance to provide interim financing for the costs of certain capital improvements to and maintenance of the Kingdome and expenses related thereto, including legal and contractual expenses; authorizing the issuance to such bank of a limited tax general obligation bond anticipation note of the County in the principal amount of not to exceed \$65,000,000 in exchange for the note issued pursuant to such ordinance; providing the date, form, terms and conditions of said note; authorizing the issuance of limited tax general obligation bonds of the County to provide funds to pay and redeem said note; authorizing procedures for draws on the line of credit secured by such note; and declaring an emergency.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Definitions. Unless otherwise defined herein, capitalized terms used in this ordinance shall have the meanings given such terms in Ordinance No. 11551 of the county, passed on October 24, 1994. As used in this ordinance the following words shall have the following meanings:

“Amended Note” means the King County, Washington, Limited Tax General Obligation Bond Anticipation Note, 1994A, in the principal amount of not to exceed \$65,000,000 issued pursuant to Ordinance No. 11551, as amended by this ordinance, for the purpose of establishing a line of credit with the Bank to provide interim financing for costs of the Project.

“Arbitrage and Tax Certification” means the certificate of that name executed and delivered by the county on the date of issuance and delivery of the Amended Note, which certificate pertains to the calculation and payment of any Rebate Amount with respect to the Amended Note.

“Bonds” means the not to exceed \$65,000,000 principal amount of King County, Washington, limited tax general obligation bonds authorized to be issued by Ordinance No. 11551 and this ordinance for the purpose of providing permanent financing for the Project.

1 “Rebate Amount” means the amount, if any, determined to be payable with respect to
2 the Amended Note by the county to the United States of American in accordance with Section
3 148(f) of the Code.

4 SECTION 2. Ratification of Project. The council hereby ratifies and confirms the
5 Project, as defined in Section 2 of Ordinance No. 11551. Proceeds of draws on the Amended
6 Note shall be used to pay costs of the Project, including reimbursement of expenditures
7 heretofore made by the county for such costs, and to pay costs of issuance of the Amended
8 Note.

9 SECTION 3. Authorization of Bonds. The council hereby ratifies and confirms the
10 authorization of \$40,000,000 principal amount of limited tax general obligation bonds of the
11 county, pursuant to Ordinance No. 11551, and hereby authorizes the issuance of an additional
12 \$25,000,000 principal amount of limited tax general obligation bonds of the county
13 (collectively, the “Bonds”), to provide permanent financing for the Project and to pay costs of
14 issuance of the Bonds. The exact date, forms, terms and maturities of the Bonds shall be as
15 hereafter fixed by ordinance of the council.

16 SECTION 4. Authorization of Amended Note. In anticipation of the issuance of the
17 Bonds, the County hereby authorizes the issuance to the Bank, in exchange for the county’s
18 Limited Tax General Obligation Bond Anticipation Note, 1994 in the principal amount of
19 \$40,000,000 previously issued to the Bank, of a limited tax general obligation bond
20 anticipation note in the aggregate principal amount of not to exceed \$65,000,000 (the “Note”)
21 to establish a line of credit with the Bank to provide interim financing for the Project and pay
22 costs of issuance of the Note. The Note shall be designated “King County, Washington,
23 Limited Tax General Obligation Bond Anticipation Note, 1994A”; shall be dated as of
24 October 26, 1994; shall mature on May 1, 1996; shall be issued in fully registered form in the
25 denomination of not to exceed \$65,000,000; and shall be numbered in such manner and with
26 any additional designation as the Note Registrar deems necessary for purposes of
27 identification.

1 Until the effective date of this ordinance, the Outstanding Principal Balance of the
2 Amended Note shall bear interest at the rate set forth for the Note in Ordinance No. 11551.
3 From and after the effective date of this ordinance, the Outstanding Principal Balance of the
4 Amended Note shall bear interest at a variable rate equal to 55% of the Prime Rate. Such
5 variable rate will be recalculated whenever the Prime Rate changes. Interest on a particular
6 principal amount drawn under the Amended note shall be determined from the date the Bank
7 honors such draw. Interest shall be calculated on the basis of a year of 365/366 days and
8 actual days elapsed. All interest and the Outstanding Principal Balance shall be due and
9 payable at final maturity or upon prior redemption of the Amended Note.

10 SECTION 5. Registration, Payment and Transfer The Treasurer shall act as
11 authenticating agent, transfer agent, paying agent and registrar for the Amended Note
12 (Collectively, the "Note Registrar"). All provisions of Ordinance No. 11551 with respect to
13 registration, payment or transfer of the Note and replacement of a lost or destroyed Note shall
14 apply to the Amended Note.

15 SECTION 6. Prepayment. Upon one day's written notice to the registered owner of
16 the Amended Note, the county may prepay all or a portion of the Outstanding Principal
17 Balance of the Amended Note, the county may prepay all or a portion of the Outstanding
18 Principal Balance of the Amended Note, together with interest thereon, without penalty.

19 SECTION 7. Note Redemption Fund; Note Covenants. A special fund of the
20 county known as the "King County Limited Tax General Obligation Bond Redemption Fund"
21 (the "Note Fund") has heretofore been created in the office of the Treasurer. The Note Fund
22 shall be drawn upon to pay the principal of and interest on the Amended Note.

23 The Amended Note is a limited tax general obligation of the county. The full faith,
24 credit and resources of the county are hereby irrevocably pledged for the prompt payment of
25 the principal of and interest on the Amended Note as the same shall become due. The county
26 hereby irrevocably covenants and agrees so long as the Amended Note remains outstanding
27 and unpaid to set aside and pay into the Note Fund out of the proceeds of sale of the Bonds, or
28 from other funds of the county legally available therefor without a vote of the people, such
29 amounts as are required to pay the principal of and interest on the Amended Note as the same
30 shall become due. The county hereby further irrevocably covenants that it will issue the
31 Bonds or refunding bond anticipation notes in an amount sufficient, together with all other

1 funds of the county legally available for such purpose without a vote of the people, to make
2 the payments required by this ordinance to be made into the Note Fund as the same shall
3 become due.

4 SECTION 8. Defeasance. The Amended Note may be defeased on the same terms
5 as set forth in Ordinance No. 11551 with respect to the Note.

6 SECTION 9. Tax Covenants.

7 A. Covenants Regarding Arbitrage and Private Activity. The county hereby
8 covenants that it will not make any use of the proceeds of sale of the Amended Note or any
9 other funds of the county that may be deemed to be proceeds of the Amended Note pursuant to
10 Section 148 of the Code that will cause the Amended Note to be an "arbitrage bond" within
11 the meaning of said section. The county will comply with the requirements of Section 148 of
12 the Code (or any successor provision thereof applicable to the Amended Note) and the
13 applicable regulations thereunder throughout the term of the Amended Note.

14 The county further covenants that it will not take any action or permit any action to be
15 taken that would cause the Amended Note to constitute a "private activity bond" under Section
16 141 of the Code.

17 B. Arbitrage Rebate. The county covenants and agrees to pay the Rebate Amount, if
18 any, to the United States of America at the time and in the amounts necessary to meet the
19 requirements of the Code to maintain the federal income tax exemption for interest payments
20 on the Amended Note, in accordance with the Arbitrage and Tax Certification.

21 SECTION 10. Form of the Amended Note. The Amended Note shall be in
22 substantially the form set forth for the Note in Ordinance No. 11551, modified as appropriate
23 for the Amended Note.

24 SECTION 11. Execution of Amended Note. The Amended Note shall be signed on
25 behalf of the county by the manual or facsimile signature of the county executive, shall be
26 attested by the manual or facsimile signature of the clerk of the county council, and shall have
27 the corporate seal of the county impressed or a facsimile thereof imprinted thereon.

28 Only such Amended Note as shall bear thereon a Registration Certificate in the form
29 hereinbefore recited, manually executed by the Note Registrar, shall be valid or obligatory for
30 any purpose or entitled to the benefits of this ordinance. Such Registration Certificate shall be
31 conclusive evidence that the Amended Note so authenticated has been duly executed,

1 authenticated and delivered hereunder and is entitled to the benefits of this ordinance.

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

11 SECTION 12. Draws on the Amended Note. Draws on the Amended Note and the
12 application of the proceeds of such draws shall be made in the same manner as set forth in
13 Ordinance No. 11551 with respect to the Note.

14 SECTION 13. Sale of Amended Note. The sale of the Amended Note to Seattle-First
15 National Bank, Seattle, Washington, at the price and pursuant to the terms and conditions set
16 forth herein and in its offer dated as of November 18, 1994, is hereby in all respects accepted
17 and approved. The proper county officials are hereby authorized and directed to do everything
18 necessary for the prompt execution and delivery of the Amended Note to the Bank and for the
19 proper application and use of the proceeds of draws under the Amended Note.

20 SECTION 14. Severability. If any one or more of the covenants or agreements
21 provided in this ordinance to be performed on the part of the county shall be declared by any
22 court of competent jurisdiction to be contrary to law, then such covenant or covenants,
23 agreement or agreements, shall be null and void and shall be deemed separable from the
24 remaining covenants and agreements of this ordinance and shall in no way affect the validity
25 of the other provisions of this ordinance or of the Note.

26 SECTION 15. Emergency Ordinance; Effective Date. The council hereby finds and
27 declares that for the immediate preservation of public safety and for the support of county
28 government the Project and financing the costs of the Project must be accomplished as soon as

1 possible. Therefore, the council hereby finds and declares that an emergency exists and that
2 this Ordinance shall be effective after its passage as required by law for an emergency
3 ordinance of the county.

4 INTRODUCED AND READ for the first time this 19th day of

5 December 1994

6 PASSED by a vote of 13 to 0 on this 19th day of December, 1994.

7 KING COUNTY COUNCIL
8 KING COUNTY, WASHINGTON

9 Kent Pullen
10 Chair

11 ATTEST:

12 Gerald A. Peterson
13 Clerk of the Council

14 APPROVED this 23rd day of December, 1994

15 Jerry Locke
16 King County Executive
17

18 Attachments: None