

07/29/98

Introduced By: Greg Nickels

pj/comsub

Proposed No.: 98-450

1  
2 MOTION NO. **10544**

3 A MOTION accepting the winning bid for the purchase of the  
4 county's Limited Tax General Obligation (Emergency Medical  
5 Services Levy) Tax Anticipation Notes, Series 1998, in the  
6 aggregate principal amount of \$15,000,000; and fixing the  
7 date, interest rates and other terms of such notes.

8 WHEREAS, the county council by Ordinance 13253, passed August 3, 1998 (the  
9 "Note Ordinance"), approved a financing plan to maintain uninterrupted funding for the  
10 county's existing Medic One emergency medical services pending the receipt in 1999  
11 through 2001 of property taxes levied for such purpose pursuant to Ordinance 12944 and  
12 approved by the voters of the county at a special election held on February 3, 1998, and

13 WHEREAS, pursuant to the Note Ordinance, the county council has provided for  
14 the public sale and issuance of up to four series of general obligation tax anticipation notes  
15 (the "Notes") of the county, each in a principal amount of not to exceed \$15,000,000 to  
16 carry out such financing plan, and

17 WHEREAS, the Note Ordinance provided that the Notes be sold at public sale as  
18 determined by the finance director in consultation with the county's financial advisors, and

19 WHEREAS, the finance director has determined that the first series of the Notes,  
20 the county's Limited Tax General Obligation (Emergency Medical Services Levy) Tax  
21 Anticipation Notes, Series 1998 (the "Series 1998 Notes") be sold as provided herein, and

1 WHEREAS, pursuant to the Note Ordinance, a preliminary official statement dated  
2 August 25, 1998 has been prepared for the public sale of the Series 1998 Notes, the official  
3 notice of such sale (the "Notice") has been duly published, and bids have been received in  
4 accordance with the Notice, and

5 WHEREAS, the attached bid of BancAmerica Securities, Inc. ("BancAmerica") to  
6 purchase the Series 1998 Notes is the best bid received for such notes, and it is in the best  
7 interest of the county that the Series 1998 Notes be sold to BancAmerica on the terms set  
8 forth in the Notice, the attached bid, the Note Ordinance and this motion.

9 NOW, THEREFORE, BE IT MOVED by the Council of King County:

10 A. Definitions. Except as expressly authorized herein, capitalized terms used  
11 in this motion have the meanings set forth in the Note Ordinance.

12 B. Ratification of Notice of Sale, Acceptance of Bids, and Authorization of  
13 Series 1998 Notes. The issuance of the county's Limited Tax General Obligation  
14 (Emergency Medical Services Levy) Tax Anticipation Notes, Series 1998, in the aggregate  
15 principal amount of \$15,000,000, and the terms and conditions thereof set forth in the  
16 Official Notice of Series 1998 Note Sale, attached hereto as Attachment A (the "Notice"),  
17 are hereby ratified and confirmed, and the bid to purchase the Series 1998 Notes, as set  
18 forth in the purchaser's bid attached hereto as Attachment B, is hereby accepted. The  
19 Series 1998 Notes shall be dated as of the date set forth in Attachment A, shall bear interest  
20 at the rates set forth on Attachment B and shall conform in all other respects to the terms  
21 and conditions specified in the Notice and Note Ordinance.

22 The Series 1998 Notes are not subject to optional redemption prior to their stated  
23 maturity.

24 C. Undertaking to Provide Ongoing Disclosure.

25 1. Contract/Undertaking. This Section C constitutes the county's  
26 written undertaking for the benefit of the owners and Beneficial Owners of the Series 1998

1 Notes as required by Section (b)(5) of the Rule. The Series 1998 Notes have a maturity of  
2 eighteen months or less.

3 2. Material Events. The county agrees to provide or cause to be  
4 provided, in a timely manner, to the SID, if any, and to each NRMSIR or to the MSRB  
5 notice of the occurrence of any of the following events with respect to the Series 1998  
6 Notes, if material:

- 7 (a) Principal and interest payment delinquencies;
- 8 (b) Non-payment related defaults;
- 9 (c) Unscheduled draws on debt service reserves reflecting  
10 financial difficulties;
- 11 (d) Unscheduled draws on credit enhancements reflecting  
12 financial difficulties;
- 13 (e) Substitution of credit or liquidity providers, or their failure to  
14 perform;
- 15 (f) Adverse tax opinions or events affecting the tax-exempt  
16 status of the Series 1998 Notes;
- 17 (g) Modifications to rights of Series 1998 Note holders;
- 18 (h) Optional, contingent or uncheduled calls of any Series 1998  
19 Notes other than scheduled sinking fund redemptions for which  
20 notice is given pursuant to Exchange Act Release 34-23856;
- 21 (i) Defeasances;
- 22 (j) Release, substitution or sale of property securing repayment  
23 of the Series 1998 Notes; and
- 24 (k) Rating changes.

25 Solely for purposes of disclosure, and not intending to modify this undertaking, the  
26 county advises with reference to items (c), (d) and (j) above that no debt service reserves,  
27 credit enhancements, or property secure payment of the Series 1998 Notes.

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3. Termination. The county's obligations to provide notices of material events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 1998 Notes. This section, or any provision hereof, shall be null and void if the county (i) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this section, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Series 1998 Notes; and (ii) notifies each then existing NRMSIR and the SID, if any, of such opinion and the cancellation of this section.

4. Series 1998 Note Owner's Remedies Under This Section. The right of any Owner or Beneficial Owner of Series 1998 Notes to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the county's obligations hereunder, and any failure by the county to comply with the provisions of this undertaking shall not be an event of default with respect to the Series 1998 Notes hereunder. For purposes of this section, "Beneficial Owner" means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 1998 Notes, including persons holding Series 1998 Notes through nominees or depositories.

D. Further Authority. The county officials, their agents, and representatives are hereby authorized and directed to do everything necessary for the prompt issuance and delivery of the Series 1998 Notes and for the proper use and application of the proceeds of such sale.

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E. Severability. If any provision of this motion is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this motion and shall in no way affect the validity of the other provisions of this motion or of the Series 1998 Notes.

NOW, THEREFORE BE IT MOVED by the Council of King County:

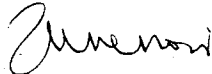
PASSED by a vote of 11 to 0 this 8<sup>th</sup> day of September,  
1998

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



VICE Chair

ATTEST:



Clerk of the Council

Attachments: A. Official Notice of Note Sale  
B. Winning Bid for the Series 1998 Notes

**10544****Official Notice of Sale**

**\$15,000,000**  
**King County, Washington**  
**Limited Tax General Obligation (Emergency Medical Services Levy)**  
**Tax Anticipation Notes, 1998**

Sealed bids for the above-referenced Notes of King County, Washington (the "County"), will be received at the County's Purchasing Office, Room 620, King County Administration Building, 500 Fourth Avenue, Seattle, Washington, until 9:00 a.m., Pacific Daylight Time, on

**September 8, 1998**

or on such later date or time as may be established by the King County Finance Director (the "Finance Director") and communicated through Munifacts News Service or the Bloomberg News Service not less than 24 hours prior to the time bids are to be received, for the purchase of the Notes. The County is reviewing procedures for accepting telefaxed bids. Bidders interested in submitting telefaxed bids should contact Seattle-Northwest Securities Corporation, the County's financial advisor, regarding the County's final decision and, if the County decides to accept telefax bids, instructions for submitting bids via telefax. All bids received with respect to the Notes will be considered by the Metropolitan King County Council (the "County Council") at its regularly scheduled meeting on the day bids are received. If the County accepts a bid, it will be awarded to the successful bidder and its terms will be approved by the County Council at such meeting.

If all bids for the Notes are rejected, the Finance Director may fix a new date and time for the receipt of bids for such Notes by giving notice communicated through Munifacts News Service not less than 24 hours prior to such new date and time. Any notice specifying a new date and/or time for the receipt of bids, following the rejection of bids received or otherwise, shall be considered an amendment to this Official Notice of Sale.

### Description of the Notes

#### Bond Details

The Notes will be dated September 1, 1998, and will mature on June 1, 1999. Interest on the Notes will be payable at maturity.

#### Registration and Book-Entry Only System

The Notes are issuable only as fully registered notes and when issued will be registered in the name of Cede & Co. as note owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Notes. Purchases of the Notes will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Notes purchased. The principal of and interest on the Notes are payable by either of the fiscal agencies for the State of Washington, currently The Bank of New York in New York, New York, and Wells Fargo Bank, National Association, in Seattle, Washington, to DTC, which in turn is obligated to remit such principal and interest to the DTC participants for subsequent disbursement to Beneficial Owners of the Notes.

The County will deposit certain money as provided in the Ordinance and will retire the Notes by purchase or redemption on June 1, 1999.

### No Optional Redemption

The Notes are not subject to optional redemption prior to their scheduled maturity.

### Security

The Notes are general obligations of King County, Washington. The County has covenanted that it will include in its budget and levy upon all taxable property within the County the Emergency Medical Services Taxes in an amount sufficient, subject to the limits authorized by Ordinance No. 12944 and together with all other revenues, taxes (including *ad valorem* taxes within and a part of the tax levy permitted counties without a vote of the electors) and money of the County legally available for such purpose, to pay the principal of and interest on the Notes as they become due. The full

will be accepted. The County reserves the right to reject any or all bids submitted and to waive any formality in the bidding or bidding process, and, if all bids for an offering are rejected, the Bond offering may be readvertised for sale in the manner provided by law and as provided above. Any bid presented after the time specified for the receipt of bids will not be received, and any bid not accompanied by the required good faith deposit at the time of opening that bid will not be read or considered.

## Insurance

Bids for the Notes shall not be conditioned upon obtaining insurance or any other credit enhancement. If the Notes qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of a bidder, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs of issuance of the Notes resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder. Any failure of the Notes to be so insured or of any such policy of insurance to be issued shall not in any way relieve the purchaser of its contractual obligations arising from the acceptance of its proposal for the purchase of the Notes.

## Delivery

The County will deliver the Notes (consisting of one typewritten certificate) to DTC in New York, New York, prior to the date of closing. Closing shall occur within 40 days after the sale date. Settlement shall be in federal funds available in Seattle, Washington, on the date of delivery. Delivery is expected to be on or about September 22, 1998.

It is understood that if, prior to the delivery of the Notes, the interest receivable by the owners of the Notes becomes includable in gross income for federal income tax purposes, or becomes subject to federal income tax other than as described in the Official Statement for the Notes, the successful bidder, at its option, may be relieved of its obligation to purchase the Notes, and in that case the good faith deposit accompanying its bid will be returned without interest.

The approving legal opinion of Preston Gates & Ellis LLP, Seattle, Washington, Bond Counsel, will be provided to the purchaser at the time of the delivery of the Notes. Bond Counsel's opinion will express no opinion concerning the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes. Nor will there be an opinion of Bond Counsel expressed relating to the undertaking of the County to provide ongoing disclosure pursuant to SEC Rule 15c2-12. A no-litigation certificate will be included in the closing papers of the Notes.

## Ongoing Disclosure Undertaking

In order to assist bidders in complying with SEC Rule 15c2-12(b)(5), the County will undertake, pursuant to the Sale Motion, to provide notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and also will be set forth in the final Official Statement.

## CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Notes, but neither the failure to print such numbers on the Notes nor any error with respect thereto will constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Notes in accordance with the terms of this Official Notice of Sale. All expenses in relation to the printing of the CUSIP numbers on the Notes will be paid by the County, but the charge of the CUSIP Bureau shall be paid by the purchaser.

## Official Statement and Other Information

A copy of the County's Preliminary Official Statement (with the Official Notice of Sale and the Official Bid Form), dated August 25, 1998, and further information regarding the details of the Notes may be obtained upon request to the King County Finance Department, 6th Floor, King County Administration Building, 500 Fourth Avenue, Seattle, Washington 98104 (telephone: (206) 296-7326), or the County's Financial Advisor, Seattle-Northwest Securities Corporation, 1420 Fifth Avenue, Suite 4300, Seattle, Washington 98101 (telephone: (206) 628-2882).

The Preliminary Official Statement is in a form deemed final by the County for the purpose of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a final Official Statement, which the County will deliver, at the expense of the County, to the purchaser not later than seven business days after the County's acceptance of the

10544

Official Bid Form  
Proposal for the Purchase of \$15,000,000  
King County, Washington  
Limited Tax General Obligation (Emergency Medical Services Levy)  
Tax Anticipation Notes, 1998

Finance Director  
King County  
Seattle, Washington

Dear Sir:

For Fifteen Million Dollars (\$15,000,000) par value Limited Tax General Obligation (Emergency Medical Services Levy) Tax Anticipation Notes (the "Notes") of King County, Washington, dated September 1, 1998, described in the attached Official Notice of Sale, which is hereby made a part of this bid, and for all but not less than all of the Notes, with an interest rate on the Notes maturing on June 1, 1999, in the amount set forth in this Official Bid Form as indicated below:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>
1999	\$15,000,000	4.00%

we offer to pay the sum of \$ 15,100,350.00 together with accrued interest, if any, to the date of delivery.

In accordance with the terms of the Official Notice of Sale, a good faith deposit in the amount of \$150,000 has been provided in the form of either a certified or bank cashier's check or a financial surety bond, each payable to the order of the King County Treasury Division Manager. The good faith deposit is to be applied in accordance with the terms of the Official Notice of Sale if the Notes are awarded to us. If the Notes are not awarded to us and a check has been submitted, such check is to be returned to us. If the Notes are not awarded to us and we provided the good faith deposit in the form of a surety bond, neither we nor the County have any further obligations with respect to the surety bond.

This bid is submitted in accordance with and subject to all provisions contained in the Official Notice of Bond Sale which is incorporated herein by reference and made a part of this bid.

If our proposal to purchase the Notes is successful, the person at the designated senior representative's office whom the County or its representatives should contact regarding closing is Jerry Heck at the following telephone number: 358-8719.

Very truly yours,

BancAmerica Securities, Inc.

Return of the good faith deposit is hereby acknowledged.

Representing: Gerald Heck  
For: Banc America Securities Inc.  
-- Bidding Alone --

Representing: \_\_\_\_\_

(Please provide a list of the managers and account members of your bidding group.)

Estimated net interest cost 3.504 %\*

\* Not a part of the bid.