

KING COUNTY, WASHINGTON

ORDINANCE NO. 00246

AN ORDINANCE of the County Council of King County, Washington, providing for the issuance of \$13,500,000.00 par value of "General Obligation County Hospital Improvement Bonds, 1968, Series B," of the County, for the purpose of providing the funds with which to pay the cost of carrying out the Harborview Hospital Improvement Program by constructing additions to the hospital, remodeling the existing hospital and purchasing and acquiring new equipment therefor, all as authorized by Resolution No. 32228 of the Board of County Commissioners adopted August 1, 1966; providing for annual tax levies to be made without limitation as to rate or amount to meet the principal and interest payments accruing on the bonds; specifying the maturities and fixing the date, form, maximum interest rate and terms of the bonds; and providing for the sale of the bonds.

WHEREAS, at a special election held in King County, Washington, on the 8th day of November, 1966, in conjunction with the state general election held on the same date, the number and proportion of the qualified electors of the County required by law for the adoption thereof voted at that election in favor of the following proposition:

"PROPOSITION

HARBORVIEW HOSPITAL IMPROVEMENT BONDS

"Shall King County, Washington, contract an indebtedness in the sum of \$15,000,000.00 and issue its negotiable general obligation bonds therefor, to be payable by annual tax levies to be made without limitation as to rate or amount, to bear interest at a maximum effective rate not to exceed 6% per annum and to mature in from two to not more than 20 years from date of issue, for County capital purposes only other than the replacement of equipment, to-wit, to renovate and remodel and provide additional new equipment for King County Hospital Unit No. 1 (Harborview Hospital) and construct and equip additions thereto, all as provided in Resolution No. 32228 of the Board of County Commissioners of said County, passed and approved August 1, 1966?

BONDS ... YES

BONDS ... NO "; and

WHEREAS, King County heretofore issued and sold as of March 1, 1968, \$1,500,000.00 par value of such total authorized issue of bonds, such bonds being designated "General Obligation County Hospital Improvement Bonds, 1968, Series A"; and

WHEREAS, at a special election held in King County, Washington, on the 4th day of November, 1969, the number and proportion of the qualified electors of the County required by law for the adoption thereof voted at that election in favor of the following proposition:

"PROPOSITION

HARBORVIEW HOSPITAL BONDS INTEREST LIMITATION

"Shall the Harborview Hospital improvement general obligation bonds authorized to be issued by King County, Washington, by Resolution No. 32228 of the Board of County Commissioners of said County, passed and approved August 1, 1966, and approved by the qualified voters of the County at a special election held therein on November 8, 1966, in conjunction with the State general election held on the same date, bear interest at a rate or rates not to exceed the maximum rate permitted by law at the time of the sale of the bonds?

YES

NO "; and

WHEREAS, it is for the best interest of King County that the remaining \$13,500,000.00 par value of the total authorized issue of \$15,000,000.00 of bonds be presently issued and sold so that the County may continue with the Harborview Hospital Improvement Program including the construction of the improvements and acquisition of equipment as specified in Resolution No. 32228, adopted by the Board of County Commissioners on August 1, 1966;

NOW, THEREFORE, BE IT ORDAINED by the Council of King County, Washington, as follows:

Section 1. For the purpose of providing the funds with which to pay the cost of carrying out the Harborview Hospital Improvement Program by renovating and remodeling and providing additional new equipment for King County Hospital Unit No. 1 (Harborview Hospital), and constructing and equipping additions thereto, as specified in

Resolution No. 32228 of the Board of County Commissioners, the County shall contract an indebtedness in the sum of \$13,500,000.00 and issue the remaining \$13,500,000.00 par value of the total of \$15,000,000.00 general obligation bonds authorized by Resolution No. 32228, and duly approved by the electors of the County on November 8, 1966, and on November 4, 1969. The bonds shall be designated "General Obligation County Hospital Improvement Bonds, 1968, Series B," of King County, Washington; shall be serial in form; shall be in denominations of \$5,000.00 each; shall be numbered from 1 to 2,700, inclusive; shall be dated January 1, 1970; and shall bear interest at an effective interest rate not to exceed 8% per annum, payable semiannually on the first days of January and July of each year, the interest to maturity to be evidenced by coupons to be attached to the bonds with full obligation on the part of the County to pay interest at the bond rate or rates from and after the maturity dates until the bonds with interest are paid in full or funds are available in the "King County General Obligation Bond Redemption Fund" of the County for payment in full. Both principal of and interest on the bonds shall be payable in lawful money of the United States of America out of the "King County General Obligation Bond Redemption Fund" at the office of the Treasurer of King County, Washington, or at the fiscal agency of the State of Washington in New York, New York, at the option of the holders. The bonds shall be payable serially, annually, over a period of from two to twenty years from the date of issuance, the life of the improvement and equipment to be acquired by the issuance of the bonds being at least twenty years, and shall mature in order of their numbers as follows:

<u>Bond Numbers</u> <u>(Inclusive)</u>	<u>Amounts</u>	<u>Maturities</u>
1 to 78	\$ 390,000	January 1, 1972
79 to 161	415,000	January 1, 1973
162 to 249	440,000	January 1, 1974
250 to 343	470,000	January 1, 1975
344 to 442	495,000	January 1, 1976
443 to 548	530,000	January 1, 1977
549 to 660	560,000	January 1, 1978

<u>Bond Numbers (Inclusive)</u>	<u>Amounts</u>	<u>Maturities</u>
661 to 779	595,000	January 1, 1979
780 to 906	635,000	January 1, 1980
907 to 1041	675,000	January 1, 1981
1042 to 1184	715,000	January 1, 1982
1185 to 1336	760,000	January 1, 1983
1337 to 1497	805,000	January 1, 1984
1498 to 1668	855,000	January 1, 1985
1669 to 1850	910,000	January 1, 1986
1851 to 2044	970,000	January 1, 1987
2045 to 2250	1,030,000	January 1, 1988
2251 to 2468	1,090,000	January 1, 1989
2469 to 2700	1,160,000	January 1, 1990

The County reserves the right to redeem the unmatured and outstanding bonds of such series at par, plus accrued interest, on January 1, 1982, or on any semiannual interest payment date thereafter, as a whole, or in part in inverse numerical order, highest numbers first. Notice of such intended redemption shall be published in the official newspaper of King County, Washington, at least once not less than thirty days nor more than forty days prior to the call date, and a copy of such notice shall be mailed within the same period to the original purchaser or the account manager of the underwriters who purchase the bonds. In addition, such redemption notices shall also be sent to Moody's Investors Service, Inc., and Standard & Poor's Corporation, at their offices in New York, New York. Interest on any bonds so called for redemption shall cease on the date fixed for such redemption upon payment of the redemption price into the bond redemption fund for such bonds.

Section 2. The bonds shall be in substantially the following form:

No. _____ \$5,000.00

UNITED STATES OF AMERICA

STATE OF WASHINGTON

KING COUNTY

GENERAL OBLIGATION COUNTY HOSPITAL
IMPROVEMENT BOND, 1968, SERIES B

_____ %

KNOW ALL MEN BY THESE PRESENTS: That King County, State of Washington, a municipal corporation, is justly indebted to and for value

received hereby promises to pay to the bearer on the FIRST DAY OF JANUARY, 19___, the sum of

FIVE THOUSAND DOLLARS

with interest thereon at the rate of _____ PERCENT (____%) per annum, payable semiannually on the first days of January and July of each year, upon the presentation and surrender of the attached interest coupons as they severally mature up to the bond maturity date and with full obligation on the part of the County to pay interest at the same rate from and after the bond maturity date until this bond with interest is paid in full. Both principal of and interest on this bond are payable in lawful money of the United States of America at the office of the Treasurer of King County at Seattle, Washington, or at the fiscal agency of the State of Washington in New York, New York, at the option of the holder hereof.

The County reserves the right to redeem the unmatured and outstanding bonds of this series at par, plus accrued interest, on January 1, 1982, or on any semiannual interest payment date thereafter, as a whole, or in part in inverse numerical order, highest numbers first. Notice of such intended redemption shall be published in the official newspaper of King County, Washington, at least once not less than thirty days nor more than forty days prior to the call date, and a copy of such notice shall be mailed within the same period to [the original purchaser or the account manager of the underwriters who purchase the bonds.] In addition, such redemption notices shall also be sent to Moody's Investors Service, Inc., and Standard & Poor's Corporation, at their offices in New York, New York. Interest on any bonds so called for redemption shall cease on the date fixed for such redemption upon payment of the redemption price into the bond redemption fund for such bonds.

This bond is one of a series of \$13,500,000.00 par value of bonds issued for strictly County capital purposes other than the replacement of equipment, to-wit, for the purpose of providing the funds with which to pay the cost of carrying out the Harborview Hospital Improvement Program by renovating and remodeling and providing additional new equipment for King County Hospital Unit No. 1 (Harborview Hospital), and constructing and equipping additions thereto, pursuant to elections authorizing the issuance of a total of \$15,000,000.00 par value of general obligation bonds, all as provided in Resolution No. 32228, adopted August 1, 1966, by the Board of County Commissioners, and Ordinance No. _____, passed December 1, 1969, by the County Council of King County, Washington, and is issued in full

semiannual interest due on that date on its "General Obligation County Hospital Improvement Bond, 1968, Series B," dated January 1, 1970, and numbered _____.

KING COUNTY, WASHINGTON

By (facsimile signature)
County Executive

ATTEST:

(facsimile signature)
Clerk of the County Council

Section 3. The bonds shall be printed on lithographed forms and, in accordance with the provisions of Ordinance No. 00019, passed June 9, 1969, shall be signed by the facsimile signature of the County Executive of King County and attested by the Clerk of the County Council and each of the interest coupons shall be signed with the facsimile signatures of said officials. The seal of King County shall be printed in facsimile on each bond pursuant to the provisions of Chapter 86, Laws of 1969 of the State of Washington.

Section 4. King County hereby irrevocably covenants to include in its budget and to make an annual levy of taxes, without limitation as to rate or amount, upon all of the property in the County subject to taxation in an amount sufficient to pay the principal of and interest on the bonds as the same shall accrue, and the full faith, credit and resources of the County are hereby irrevocably pledged for the annual levy and collection of said taxes and the prompt payment of the principal and interest.

Section 5. The accrued interest received from the sale of the bonds shall be paid into the "King County General Obligation Bond Redemption Fund" and the principal proceeds received from the sale of the bonds shall be deposited in the "King County Harborview Hospital Construction Fund," created by Resolution No. 34804 of the Board of County Commissioners, and expended for the purpose of carrying out the Harborview Hospital Improvement Program, as aforesaid, including the costs pertaining to the issuance, sale and delivery of the bonds. All

taxes collected for the payment of the principal of and interest on the bonds shall be deposited in the "King County General Obligation Bond Redemption Fund."

Section 6. The bonds shall be sold for cash at public sale for not less than par and accrued interest upon sealed bids to be received at the office of the Clerk of the County Council, up to the day and hour stated in the Notice of Bond Sale hereinafter described to be given.

The Clerk of the County Council is hereby authorized and directed to advertise said bonds for sale pursuant to law as herein-after directed.

Notice calling for bids for the purchase of the bonds shall be given by publication thereof once a week for four consecutive weeks in the official newspaper of King County and a short form of such notice shall also be published at least once not less than ten days prior to the sale date in The Bond Buyer, New York, New York, and in the Daily Journal of Commerce, Seattle, Washington.

Bids for the purchase of the bonds shall be received by the Clerk of the County Council of King County, Washington, at his office in the King County Court House, Seattle, Washington, on Jan 27, 1970, up to 10:00 o'clock A.m. (PST), and immediately thereafter all bids received will be publicly opened and considered at a meeting of the County Council then to be held in Room 402 of said King County Court House, and the Notice shall specify such place and time of opening such bids.

A copy of the Notice shall, at least three weeks prior to the date fixed for such sale, be mailed to the State Finance Committee in Olympia, Washington.

Bids shall be invited for the purchase of the bonds with fixed maturities according to the schedule specified in Section 1 above.

The Notice shall specify the maximum effective rate of interest the bonds shall bear, to-wit, 8% per annum, and shall require bidders to submit a bid specifying:

(a) The lowest rate of interest and premium, if any, above par at which the bidder will purchase the bonds; or

(b) The lowest rate of interest at which the bidder will purchase the bonds at par.

Coupon rates bid shall be in multiples of 1/8 or 1/10 of 1%, or both. No more than one rate of interest may be fixed for any one maturity. The maximum differential between the lowest and highest coupon rates named in any bid shall not exceed 2%.

For the purpose of evaluating bids only, the coupon rates bid being controlling, each bid shall state the total interest cost over the life of the bonds and the net effective interest rate of such bid. Only one coupon will be attached to each bond for each installment of interest thereon, and bids providing for additional or supplemental coupons will be rejected.

The bonds shall be sold to the bidder making the best bid, subject to the right of the County Council of King County to reject any and all bids and to readvertise the bonds for sale in the manner provided by law, and no bid for less than the entire issue shall be considered.

All bids shall be sealed and, except the bid of the State of Washington, if one is received, shall be accompanied by a deposit of \$675,000.00, either in cash or certified or cashier's check payable to the Treasurer of King County, Washington, which shall be returned promptly if the bid is not accepted. The bonds shall be delivered to the successful purchaser within forty days after the sale date, and in the event the bonds are not ready for delivery by such date, the successful bidder shall have an option to cancel his obligation and to receive prompt refund of his good-faith deposit check, or may agree to an extension of such delivery date, and not less than seven days'

advance notice of the time and date of delivery will be given to the successful bidder. If the bonds are ready for delivery and the successful bidder shall fail and neglect to complete the purchase of the bonds within forty days following the acceptance of his bid, the amount of his deposit shall be forfeited to King County, and in that event, the County Council of King County may accept the bid of the one making the next best bid. The bonds will be delivered to the successful bidder at the office of the Treasurer of King County at Seattle, Washington, or at The Chase Manhattan Bank, N.A., in New York City, New York, at the County's expense, or at such other place as the successful bidder and said Treasurer may mutually agree upon at the expense of the successful bidder.

If, prior to the delivery of the bonds, the income receivable by the holders thereof shall become taxable, directly or indirectly, by the terms of any Federal Income Tax Law, the successful bidder may at his option be relieved of his obligation to purchase the bonds, and in such case the deposit will be returned, without interest.

The Notice to be published by the Clerk of the County Council shall provide that the County will cause the bonds to be printed or lithographed and signed without expense to the successful bidder and that the County will furnish the approving legal opinions of Messrs. Roberts, Shefelman, Lawrence, Gay & Moch of Seattle, Washington, and the Prosecuting Attorney for King County, Washington, relative to the issuance of the bonds, which legal opinions will be printed on each bond. A no-litigation certificate in the usual form will be included in the closing papers.

INTRODUCED and read for the first time this 24th day of November, 1969.

PASSED by the Council at a regular meeting thereof on the 1st day of December, 1969.

John T. O'Brien
Chairman of the County Council

ATTEST:
Ralph A. Steiner
Clerk of the County Council

APPROVED this 3d day of December, 1969.

John D. Sellman
King County Executive

ORDINANCE READINGS
1st 11-24-69
2nd 12-1-69
3rd 12-1-69
Effective Date