

1 09/19/84

INTRODUCED BY BOB GREIVE

2 PROPOSED No. 84-519

3 **6943**

4 ORDINANCE NO. \_\_\_\_\_

5 AN ORDINANCE relating to contracting indebted-  
6 ness; authorizing the issuance of limited tax  
7 general obligation bonds of the county in the  
8 principal amount of approximately \$3,300,000 for  
9 strictly county purposes; establishing a limited  
10 tax general obligation jail bond note fund; and  
11 authorizing the issuance and sale of bond antici-  
12 pation notes pending receipt of the proceeds of  
13 those general obligation bonds.

14 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

15 SECTION 1. The county council finds as follows:

16 A. Pursuant to Ordinance No. 5262 the county authorized  
17 the issuance of interest-bearing warrants as interim financing  
18 to repay loans from the Current Expense Fund to the Jail  
19 Renovation and Construction Fund for the purpose of funding jail  
20 acquisition and construction costs pending the sale and issuance  
21 of limited tax general obligation bonds.

22 B. There are presently outstanding interest-bearing  
23 warrants in the principal amount of \$3,038,396 issued for such  
24 purpose bearing interest at a rate equal to 75% of the publicly  
25 announced prime rate, and Peoples National Bank of Washington  
26 has offered to purchase limited tax general obligation jail bond  
27 anticipation notes of the county to provide the funds to redeem  
28 such outstanding warrants, such notes to bear interest at a rate  
29 less than the interest rate on the warrants, thus effecting a  
30 substantial savings to the county and to its taxpayers.

31 C. In order to effect such savings, it is in the interest  
32 of the county and its taxpayers that approximately \$3,300,000  
33 par value limited tax ("Councilmanic") general obligation bonds  
be issued to provide part of the money necessary to pay a part  
of the cost of redeeming interest-bearing warrants issued to

1 repay loans for the contract purchase and interest thereon of  
2 land associated with jail construction and, pending the issuance  
3 of such general obligation bonds, to issue limited tax general  
4 obligation bond anticipation notes.

5 SECTION 2. The county shall borrow money on the credit of  
6 the county and issue its limited tax general obligation bonds  
7 evidencing such indebtedness in the amount of approximately  
8 \$3,300,000 to redeem interest-bearing warrants issued to repay  
9 loans to the Jail Renovation and Construction Fund from the  
10 Current Expense Fund for the contract purchase and interest  
11 thereon of land associated with jail construction, and to pay  
12 the cost of the issuance of the bonds.

13 Such bonds shall be issued at such time or times upon  
14 proper appropriation, shall be dated, bear such interest, have  
15 such terms and conditions, mature, have such call features, be  
16 issued in such series and be sold as a single offering or as  
17 part of a combined offering of limited tax general obligation  
18 bonds of the county in such manner as shall be provided here-  
19 after by ordinance. Such bonds shall be payable from the  
20 regular property tax levy of the county levied without a vote of  
21 the electors of the county and from other money legally avail-  
22 able for such purpose.

23 SECTION 3. There is created in the office of finance of  
24 King County, Washington, a special fund designated the "Limited  
25 Tax General Obligation Jail Bond Anticipation Note Fund, 1984"  
26 (the "Note Fund"). Pending the issuance of the limited tax  
27 general obligation bonds authorized by this ordinance, the  
28 county shall issue and sell its "Limited Tax General Obligation  
29 Jail Bond Anticipation Notes, 1984" (the "Notes") in the total  
30 principal amount of \$3,250,856. Such Notes shall be issued as a  
31 single Note, shall be dated as of the date of their issuance,  
32 shall mature on June 1, 1985, and shall bear interest from the  
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1 date of issuance at a per annum rate equal to 0.125% greater  
2 than the A-1/P-1 30-day rate-early for tax-exempt commercial  
3 paper (appearing on Munifacts) set two working days prior to the  
4 date of delivery of the Note to the original purchaser thereof  
5 and adjusted on November 15, 1984, and on the 15th day of each  
6 month thereafter to 0.125% greater than the then A-1/P-1 30-day  
7 rate early for tax-exempt commercial paper set two working days  
8 prior to such date each month. Interest shall be paid on the  
9 15th day of each calendar month and at maturity, commencing  
10 November 15, 1984, to maturity of the Note with full obligation  
11 on the part of the county to pay interest at the same index rate  
12 described above from and after maturity until the Note with  
13 interest is paid in full or sufficient money for such payment in  
14 full is on deposit in the Note Fund and the Note has been called  
15 for redemption as hereinafter provided. The county council  
16 declares and finds that the fixing of the above interest rate  
17 index is in the best interest of the county.

18 The Note may be prepaid at the option of the county at any  
19 time upon giving at least 30 days' written notice to Peoples  
20 National Bank of Washington, Seattle, Washington. Interest on  
21 the Note shall cease on the date fixed for prepayment in full  
22 upon the payment into the Note Fund of sufficient money to pay  
23 fully the principal of and interest to date of redemption of the  
24 Note.

25 SECTION 4. The county irrevocably pledges to redeem the  
26 Note on or before June 1, 1985, from the proceeds of a suffi-  
27 cient amount of the limited tax general obligation jail bonds  
28 authorized herein, from the proceeds of additional short-term  
29 obligations or from other money legally available for such  
30 purpose. The county irrevocably covenants that it will include  
31 in its budget and will make annual levies of taxes, within the  
32 constitutional and statutory tax limitations provided by law  
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1 without a vote of the electors of the county, upon all the  
2 property in the county subject to taxation in an amount suffi-  
3 cient, together with other money which may become legally  
4 available and used for such purposes, to pay the interest on the  
5 Note when due and in an amount sufficient, together with such  
6 bond and/or short-term obligation proceeds and other money  
7 legally available and to be used therefor, to pay the principal  
8 of the Note when due and the principal and interest on such  
9 general obligation bonds as the same shall come due. Such  
10 amounts when collected shall be paid into the Note Fund and none  
11 of the money in the Note Fund shall be used for any other  
12 purpose than the payment of the principal of and interest on the  
13 Note. The full faith, credit, taxing power and resources of the  
14 county are pledged irrevocably for the annual levy and collec-  
15 tion of those taxes and the prompt payment of such principal and  
16 interest.

17 SECTION 5. A special fund of the county has been created  
18 in the office of finance of King County, Washington, known as  
19 the "Jail Renovation and Construction Fund" (the "Construction  
20 Fund"). Of the proceeds of the issuance and sale of the Note,  
21 \$135,416, an amount estimated to be sufficient to pay the  
22 interest when due on the Note, shall be deposited in the Note  
23 Fund and the balance shall be paid into the Construction Fund  
24 and expended solely for capital purposes, namely, the redemption  
25 of interest-bearing warrants issued to repay the Current Expense  
26 Fund for loans made for the contract purchase and interest  
27 thereon of land associated with jail construction as provided by  
28 Ordinance No. 5262 and to pay the cost of issuance of the Note.

29 The accrued interest received from the sale of the Note  
30 shall be deposited in the Note Fund.

31 SECTION 6. The county covenants that it will spend the  
32 principal proceeds of the Note with due diligence to completion  
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1 of the purposes specified in this ordinance and will make no use  
2 of the proceeds of the Note or other funds of the county at any  
3 time during the term of the Note which will cause the note to be  
4 an arbitrage obligation within the meaning of Section 103(c) of  
5 the United States Internal Revenue Code of 1954, as amended, and  
6 the applicable regulations promulgated thereunder.

7 SECTION 7. The Note shall be in a form consistent with the  
8 provisions of this ordinance, shall be printed or typed on good  
9 bond paper or lithograph forms, shall be signed by the county  
10 executive and attested by the clerk of the council (or her  
11 deputy clerk on her behalf) and shall have the seal of the  
12 county council affixed thereto by imprinting the same thereon.

13 SECTION 8. Peoples National Bank of Washington, Seattle,  
14 Washington, has submitted an offer to purchase the Note at a  
15 price of \$99 per each \$100 par value, the county to furnish the  
16 printed or typed approving legal opinion of Roberts & Shefelman,  
17 municipal bond counsel of Seattle, Washington. Bond counsel  
18 shall not be required to review or express any opinion con-  
19 cerning the completeness or accuracy of any official statement,  
20 offering circular or other sales material issued or used in  
21 connection with the Note and bond counsel's opinion shall so  
22 state. The county council being of the opinion it is in the  
23 best interest of the county to accept such offer, accepts the  
24 same. The Note, therefore, immediately upon its execution shall  
25 be delivered to Peoples National Bank of Washington, Seattle,  
26 Washington, upon payment therefor in accordance with such offer.  
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1            SECTION 9. Any act done pursuant to the authority and  
2 prior to the effective date of this ordinance is ratified and  
3 confirmed.

4            INTRODUCED and read for the first time this 17<sup>th</sup> day of  
5 September, 1984.

6            PASSED this 24<sup>th</sup> day of September 1984.

7  
8 KING COUNTY COUNCIL  
9 KING COUNTY, WASHINGTON

10 Gary Grant  
11 Chairman

12 ATTEST:

13  
14 Jeneth M. Owens  
15 Clerk of the Council

16 APPROVED this 28<sup>th</sup> day of September, 1984.

17 Larry Well  
18 King County Executive

19  
20 1189k