

1 April 11, 1985

INTRODUCED BY: BRUCE LAING  
PROPOSED NO 85-168

3  
4 ORDINANCE NO. 7179

5 AN ORDINANCE providing for the sale and issuance  
6 of limited tax levy general obligation bond anti-  
7 cipation notes of the county in the principal  
8 amount of \$6,400,000 for the purpose of provid-  
9 ing funds for the acquisition of real property  
10 for the Cougar Mountain Regional Wildland Park;  
11 payment of incidental costs related to the sale  
12 and issuance of the notes and for payment of  
13 interest on the notes; specifying the date, form,  
14 terms, maturity, interest rate and price of the  
15 notes; providing for the annual levy of taxes to  
16 pay the principal of and interest on the notes;  
17 and accepting an offer for the purchase of the  
18 notes and declaring an emergency.

19 PREAMBLE

20 The county has exercised its option to purchase approxi-  
21 mately 1,080 acres of real property from the Daon Corporation  
22 for a purchase price of \$5,700 per acre for a total purchase  
23 price of approximately \$6,156,000. The real property is to be  
24 acquired for and as part of the Cougar Mountain Regional Wild-  
25 land Park. \$6,050,000 of the purchase price is required to be  
26 paid at closing, which is to occur on or before April 25,  
27 1985. There is insufficient time for the county to obtain  
28 funds to purchase the property by selling and issuing long-term  
29 bonds. The council finds that it is necessary for the county  
30 to sell and issue short-term obligations in anticipation of the  
31 issuance of limited tax levy general obligation bonds so as to  
32 have sufficient funds to pay the part of the purchase price due  
at closing.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Definitions. Unless the context otherwise  
requires, the terms defined in this section shall, for all pur-  
poses of this ordinance and of any ordinance supplemental  
hereto, have the meanings specified; words importing the sin-  
gular number include the plural number and vice versa:

A. "Bonds" means the limited tax levy general  
obligation bonds which the county intends to issue  
for the purposes set out in Section 6 of this  
ordinance.

B. "County" means King County, Washington.

C. "Council" means the county council of King  
County, Washington.

1 D. "Notes" means the \$6,400,000 principal amount  
2 of bond anticipation notes of the county, the sale  
3 and issuance of which are provided for in this  
4 ordinance.

5 E. "Note Fund" means the King County Bond Antici-  
6 pation Note Fund, 1985, established pursuant to  
7 Section 7 of this ordinance.

8 F. "Project Fund" means the Parks, Recreation and  
9 Open Space Capital Improvement Project Fund pre-  
10 viously established in the office of finance of the  
11 county.

12 SECTION 2. Authorization and Purpose of Notes.

13 A. In anticipation of the issuance of the Bonds, King  
14 County, Washington, shall sell and issue negotiable limited tax  
15 levy general obligation bond anticipation notes in the prin-  
16 cipal amount of Six Million Four Hundred Thousand Dollars  
17 (\$6,400,000) for the following purposes:

18 1. To obtain funds for payment of part of the costs of  
19 acquiring from the Daon Corporation approximately 1,080 acres  
20 of real property for the Cougar Mountain Regional Wildland Park  
21 of the county.

22 2. To obtain funds for payment of interest on the Notes.

23 3. To obtain funds for payment of incidental costs  
24 related to the acquisition of the real property and costs  
25 related to the sale and issuance of the Notes, including pay-  
26 ments for legal expenses, printing, and other similar activi-  
27 ties and purposes.

28 B. The county reserves the right to amend this ordinance  
29 so as to provide different or additional purposes for which the  
30 proceeds from the sale of the Notes may be used.

31 SECTION 3. Description of Notes. The Notes shall be  
32 designated "King County, Washington, Limited Tax General Oblig-  
ation Bond Anticipation Notes, 1985"; shall be dated as of the  
date of delivery thereof to the purchaser; shall be issued in  
bearer form without coupons; shall be consecutively numbered 1

1 to 480; shall bear any additional designation as the director  
2 of the office of finance of the county shall deem necessary for  
3 purposes of identification; shall mature on April 15, 1986; and  
4 shall bear interest from their date at the rate of five and  
5 one-half percent (5-1/2%) per annum to the maturity thereof.  
6 Notes numbered 1 through 200 shall be in the denomination of  
7 \$25,000 each and Notes numbered 201 through 480 shall be in the  
8 denomination of \$5,000 each. Interest shall be calculated on  
9 the basis of a 365-day year and the actual number of days  
10 elapsed from the date of the Notes to the date of maturity.  
11 Interest shall cease to accrue on the Notes on the maturity  
12 date thereof unless any Note shall be duly presented for pay-  
13 ment and not paid, in which event interest shall continue to  
14 accrue at the rate stated on such Note until it is paid.

15 The Notes shall be negotiable instruments to the extent  
16 provided by RCW 62A.8-105.

17 SECTION 4. Place, Manner and Medium of Payment. Both  
18 principal of and interest on the Notes shall be payable in law-  
19 ful money of the United States of America upon presentation and  
20 surrender of the Notes at the office of finance of the county  
21 in Seattle, Washington.

22 SECTION 5. County Debt Limit Not Exceeded. The county  
23 covenants that the Notes are issued within the applicable debt  
24 limitations of the county.

25 SECTION 6. Intent to Issue Bonds. The county intends to  
26 sell and issue, prior to the maturity date of the Notes, its  
27 limited tax levy general obligation bonds in an aggregate prin-  
28 cipal amount sufficient to pay the principal of and interest on  
29 the Notes and for other purposes.

30 The Bonds to be issued shall be entitled "King County,  
31 Washington, Various Purpose Limited Tax General Obligation  
32

1 Bonds, 1985." The Bonds shall be general obligations of the  
2 county; the county shall pledge its full faith, credit and  
3 resources for the payment of the principal of and the interest  
4 on the Bonds and shall covenant to levy within and as a part of  
5 the levy permitted the county without a vote of the people  
6 taxes sufficient to pay the principal of, premium, if any, and  
7 interest on the Bonds. The Bonds shall be in such denomination  
8 or denominations and form; shall be dated; shall bear interest  
9 at such rate or rates; shall be in such amounts; shall be pay-  
10 able at such place or places; shall have such option of payment  
11 prior to maturity; and may be combined with any subsequently  
12 authorized general obligation bonds and issued as a single  
13 combined issue, all as deemed by the county to be in its best  
14 interests.

15 SECTION 7. Establishment of Note Fund. The director of  
16 the office of finance of the county is authorized and directed  
17 to establish in the office of finance a special fund of the  
18 county to be known as the "King County Bond Anticipation Note  
19 Fund, 1985."

20 SECTION 8. Security for Notes.

21 A. The county hereby covenants that it will issue the  
22 Bonds in the aggregate principal amount and for the price  
23 necessary to provide proceeds sufficient, together with other  
24 money in the Note Fund and together with income from the  
25 investment thereof, to pay the principal of and interest on the  
26 Notes as the same shall become due and that it will apply such  
27 proceeds to such payment.

28 B. The Notes are general obligations of the county. The  
29 county hereby pledges its full faith, credit and resources to  
30 the payment of the principal of and the interest on the Notes  
31 and unconditionally promises to pay said principal and interest  
32

1 as the same shall become due. The county irrevocably covenants  
2 that it will include in its budget and make annual levies of  
3 taxes within and as a part of the tax levy permitted to the  
4 county without a vote of the people upon all property in the  
5 county subject to taxation in an amount sufficient, together  
6 with other money legally available and to be used for such pur-  
7 poses (including proceeds of the Bonds and proceeds of the  
8 Notes), to pay the principal of and interest on the Notes as  
9 the same shall become due.

10 C. The county irrevocably covenants that simultaneously  
11 with the receipt of the proceeds of the sale and issuance of  
12 the Bonds it will pay into the Note Fund the amount of Bond  
13 proceeds sufficient, together with other money in the Note Fund  
14 and together with income from the investment thereof, to pay  
15 the principal of and interest on the Notes as the same shall  
16 become due. Taxes levied and collected for the payment of the  
17 principal of and interest on the Notes, together with other  
18 money legally available and to be used for such purposes, shall  
19 be paid into the Note Fund.

20 Until the principal of and interest on the Notes shall have  
21 been paid, the Note Fund shall be drawn upon for the sole pur-  
22 pose of making such payments. After such payments have been  
23 made, any excess money in the Note Fund shall be transferred to  
24 the King County Limited Tax General Obligation Bond Redemption  
25 Fund.

26 D. The county may provide additional means for raising  
27 money for the payment of the principal of and interest on the  
28 Notes and this ordinance shall not be deemed to provide an  
29 exclusive method for such payment.

30 SECTION 9. Enforcement of Rights. The bearer of each of  
31 the Notes or a trustee for the bearers of any of the Notes may  
32

1 by mandamus or other appropriate proceeding require the trans-  
2 fer and payment of money as directed in this ordinance.

3 SECTION 10. Form of Notes. The Notes shall be in substan-  
4 tially the following form:

5 (Form of Note-Front)

6 Note Number: \_\_\_\_\_ \$ \_\_\_\_\_

7  
8 UNITED STATES OF AMERICA  
STATE OF WASHINGTON  
9 KING COUNTY, WASHINGTON, LIMITED TAX GENERAL  
OBLIGATION BOND ANTICIPATION NOTE, 1985

10 Interest Maturity  
11 Rate: \_\_\_\_\_ Date: \_\_\_\_\_

12 Principal Amount:

13 KING COUNTY, WASHINGTON (the "County"), for value received,  
14 promises to pay to the bearer hereof, or registered assigns, on  
15 the Maturity Date identified above, the Principal Amount iden-  
16 tified above; and to pay interest thereon from the date of this  
17 Note to the Maturity Date at the interest rate per annum set  
18 forth above (computed on the basis of a 365-day year and the  
19 actual number of days elapsed from the date of this Note to the  
20 Maturity Date). Interest shall be payable on the Maturity  
21 Date. Interest on this Note shall cease to accrue on the  
22 Maturity Date unless this Note is duly presented for payment  
23 and not paid, in which event interest shall continue to accrue  
24 at the Interest Rate set forth above until this Note is paid.

25 Both principal of and interest on this Note are payable in  
26 lawful money of the United States of America, but only upon  
27 presentation and surrender of this Note at the Office of  
28 Finance of the County in Seattle, Washington.

29 This Note is a general obligation of the County. The full  
30 faith, credit and resources of the County have been and are  
31 pledged irrevocably to the payment of the principal of and the  
32

1 interest on this Note, and the County unconditionally promises  
2 to pay that principal and interest as the same shall become  
3 due. The County has further covenanted that it will include in  
4 its budget and make annual levies of taxes within and as a part  
5 of the tax levy permitted to the County without a vote of the  
6 people upon all property in the County subject to taxation in  
7 an amount sufficient, together with other money legally avail-  
8 able and to be used for such purposes, to pay the principal of  
9 and interest on the Notes as the same shall become due. The  
10 County has further covenanted that it will issue Bonds (as  
11 defined in the Note Ordinance) in the principal amount, and for  
12 the price, necessary to provide proceeds sufficient, together  
13 with other money of the County, if any, legally available for  
14 such purpose, to pay the principal of and interest on the Note  
15 on the Maturity Date and that it will apply such proceeds to  
16 such payment.

17 Reference is made to the additional provisions of this Note  
18 set forth on the reverse side hereof and in Ordinance No. 7179  
19 of the County (the "Note Ordinance"), and such provisions shall  
20 for all purposes have the same effect as if set forth on the  
21 front side hereof. The County unconditionally covenants that  
22 it will keep and perform all of the covenants of this Note and  
23 the Note Ordinance. Terms defined in the Note Ordinance shall  
24 have the same meanings when used herein.

25 It is certified that all acts, conditions and things  
26 required by the constitution and statutes of the State of Wash-  
27 ington, the County charter and the ordinances of the County to  
28 have happened, been done and performed precedent to and in the  
29 issuance of this Note have happened, been done and performed,  
30 and that the issuance of this Note does not violate any consti-  
31 tutional, statutory or other limitation upon the amount of  
32 indebtedness that the County may incur.

1 IN WITNESS WHEREOF, the County has caused this Note to be  
2 executed with the facsimile signatures of its County Executive  
3 and the Clerk of the County Council and has caused a facsimile  
4 of the seal of the County Council to be reproduced hereon, all  
5 as of the \_\_\_\_ day of April, 1985.

6 KING COUNTY, WASHINGTON  
7 By [Facsimile Signature]  
8 [FACSIMILE SEAL] COUNTY EXECUTIVE

9 By [Facsimile Signature]  
10 CLERK OF THE COUNTY COUNCIL

11 (Form of Note-Reverse)

12 ADDITIONAL PROVISIONS

13 This Note is one of a duly authorized series of notes  
14 designated "King County, Washington, Limited Tax General Obliga-  
15 tion Bond Anticipation Notes, 1985" (the "Notes"), aggregat-  
16 ing \$6,400,000 in principal amount, maturing on April 15, 1986,  
17 of like date, tenor and effect, except as to number and denomi-  
18 nation. The Notes are issued in bearer form without coupons.

19 The Notes are not subject to redemption prior to maturity.

20 This Note and the other Notes of the same series are issued  
21 pursuant to and in full compliance with the constitution and  
22 statutes of the State of Washington, the charter and ordinances  
23 of the County; and pursuant to proceedings duly adopted by the  
24 County, including the Note Ordinance. The Notes are issued for  
25 the purpose of providing funds to pay part of the cost of  
26 acquiring certain real property for the County's Cougar Moun-  
27 tain Regional Wildland Park, to pay interest on the Notes and  
28 to pay the expenses of issuing the Notes.

29 The covenants contained herein and in the Note Ordinance,  
30 except the pledge of the full faith, credit and resources of  
31 the County to the payment of this Note, may be discharged by  
32



1 making provision, at any time, for the payment of the principal  
2 of and interest on this Note in the manner provided in the Note  
3 Ordinance.

4 The County may deem and treat the bearer hereof as the  
5 absolute owner hereof for all purposes, and the County shall  
6 not be affected by any notice to the contrary.

7 CERTIFICATE AS TO LEGAL OPINION

8 I certify that the following is a true copy of the legal  
9 opinion of Skellenger Ginsberg & Bender as to the Notes, the  
10 original of which was manually executed, dated and delivered on  
11 the date of delivery of and payment for the Notes and is on  
12 file in the Office of Finance of King County.

13 (Facsimile signature)

14 \_\_\_\_\_  
15 Director of the Office of Finance  
King County, Washington

16 SECTION 11. Execution of Notes. The Notes shall be exe-  
17 cuted on behalf of the county by the facsimile signatures of  
18 the county executive and the clerk of the council.

19 A facsimile of the official seal of the council shall be  
20 imprinted or otherwise reproduced on the Notes, which facsimile  
21 is hereby adopted as the seal of the county for such Notes.

22 In the event any officer who shall have signed or whose  
23 facsimile signature appears on any of the Notes shall cease to  
24 be such officer before said Notes shall have been actually  
25 issued, such Notes may nevertheless be issued and, upon such  
26 issuance, shall be as binding upon the county as though said  
27 person had not ceased to be such officer. Any Note may be  
28 signed on behalf of the county by such officer who, at the  
29 actual date of execution of such Note shall be the proper offi-  
30 cer of the county, although on the date borne by such Note such  
31 officer might not have held such office.

32

1        SECTION 12. Ownership of Notes. The county, in its dis-  
2 cretion, may deem and treat the bearer of each Note as the  
3 absolute owner thereof for all purposes, and the county shall  
4 not be affected by any notice to the contrary. All payments  
5 made as described in Section 4 shall be valid and effectual to  
6 satisfy and discharge the liability of the county upon such  
7 Note to the extent of the sum or sums so paid.

8        SECTION 13. Lost, Stolen or Destroyed Notes. If any Note  
9 becomes mutilated, lost, stolen or destroyed, the county may  
10 execute and deliver a new Note of the same interest rate and  
11 maturity and of like tenor and effect in substitution there-  
12 for. If such mutilated, lost, stolen or destroyed Note has  
13 matured, the county may, at its option, pay the same without  
14 the surrender thereof. However, no such substitution or pay-  
15 ment shall be made unless and until the applicant shall furnish  
16 (1) evidence satisfactory to the county of the destruction or  
17 loss of the original Note and of the ownership thereof and (2)  
18 such additional security, indemnity or evidence as may be  
19 required by the county. No substitute Note shall be furnished  
20 unless the applicant shall reimburse the county for its  
21 expenses in the furnishing thereof. Any such substitute Note  
22 so furnished shall be equally and proportionately entitled to  
23 the security of this ordinance with all other Notes issued  
24 hereunder.

25        SECTION 14. Defeasance. In the event the county shall  
26 issue advance refunding bonds, or have money available from any  
27 other lawful source, to pay the principal of and interest on  
28 the Notes or such portion thereof included in the refunding  
29 plan as the same become due and payable and to refund all such  
30 then outstanding Notes and to pay the costs of refunding, and  
31 shall have irrevocably set aside in a special fund for and  
32

1 pledged to such payment and refunding, money and/or direct  
2 obligations of the United States of America or other legal  
3 investments sufficient in amount, together with known earned  
4 income from the investment thereof, to make such payments and  
5 to accomplish the refunding as scheduled (hereinafter called  
6 the "trust account"), and shall irrevocably make provision for  
7 redemption or payment of such Notes, then in that case all  
8 right and interest of the holders of the Notes to be so retired  
9 or refunded (hereinafter collectively called the "defeased  
10 Notes") in the covenants of this ordinance and in the funds and  
11 accounts obligated to the payment of such Notes shall there-  
12 after cease and become void. Such holders shall thereafter  
13 have the right to receive payment of the principal of and  
14 interest on the defeased Notes from the trust account and, in  
15 the event the funds in the trust account are not available for  
16 such payment, shall have the right to receive payment of the  
17 principal of and interest on the defeased Notes from the funds  
18 and accounts obligated to the payment of such Notes. Anything  
19 herein to the contrary notwithstanding, the pledge of the full  
20 faith, credit and resources of the county to the payment of the  
21 Notes shall remain in full force and effect after the estab-  
22 lishing and full funding of such trust account. Subject to the  
23 rights of the holders of the Notes, the county may then apply  
24 any money in any other fund or account established for the pay-  
25 ment or redemption of the defeased Notes to any lawful purpose  
26 as it shall determine.

27 SECTION 15. Sale of Notes. The offer of Peoples National  
28 Bank of Washington to purchase the Notes at the price of 99.56%  
29 of the par value thereof is hereby accepted, approved and con-  
30 firmed in all respects. A copy of such offer is attached  
31 hereto as Exhibit A.

32

1 The Notes shall be sold to Peoples National Bank of Wash-  
2 ington for the price of \$6,371,840, which is 99.56% of the par  
3 value thereof, plus accrued interest, if any, from the date of  
4 the Notes to the date of their delivery, and upon the other  
5 terms and conditions stated herein and in the offer.

6 It is understood that the purchaser may, at its option, be  
7 relieved of its obligation to purchase the Notes if, prior to  
8 the delivery of the Notes, the interest received by the holders  
9 thereof shall become taxable, directly or indirectly, by the  
10 terms of any federal income tax law, or if legislation which  
11 would have the same effect if adopted into law is enacted by  
12 either house of Congress.

13 SECTION 16. General Authorization. The proper county  
14 officials are authorized and directed to execute all documents  
15 and to do everything necessary for (A) the preparation and  
16 delivery of a transcript of proceedings pertaining to the  
17 Notes, and (B) the printing, execution and delivery of the  
18 Notes, in definitive form, to the purchaser thereof, each with-  
19 out unreasonable delay.

20 SECTION 17. Temporary Notes. If definitive Notes are not  
21 ready for delivery by the date of closing, the director of the  
22 office of finance of the county, upon the approval of the pur-  
23 chaser, may cause to be issued and delivered to the purchaser  
24 one or more temporary Notes with appropriate omissions, changes  
25 and additions. Any temporary Note or Notes shall be entitled  
26 and subject to the same benefits and provisions of this ordi-  
27 nance with respect to the payment, security and obligation  
28 thereof as definitive Notes authorized hereby. Such temporary  
29 Note or Notes shall be exchangeable without cost to the bearers  
30 thereof for definitive Notes when the latter are ready for  
31 delivery.

32

1        SECTION 18. Delivery of and Payment for Notes. The Notes  
2 shall be delivered at the expense of the county to the pur-  
3 chaser or its agents in Seattle, Washington, on such date as  
4 the director of the office of finance of the county and the  
5 purchaser may mutually agree upon.

6        Payment of the purchase price plus accrued interest to the  
7 date of delivery, if any, shall be made in federal funds avail-  
8 able on the date and at the place of delivery.

9        SECTION 19. Disposition of Note Proceeds.

10       A. Accrued interest on the Notes, if any, shall be depos-  
11 ited in the Note Fund.

12       B. \$317,840 of the Note Proceeds shall be deposited in the  
13 Note Fund.

14       C. \$6,054,000 of the Note Proceeds shall be deposited in  
15 the Project Fund. Such proceeds and income from the investment  
16 thereof shall be used for the purposes specified in subsections  
17 2.A.1 and 2.A.3.

18       D. Any Note proceeds remaining in the Project Fund after  
19 carrying out the purposes specified in subsections 2.A.1 and  
20 2.A.3 shall be deposited in the Note Fund.

21       SECTION 20. Non-Arbitrage Covenant. The county covenants  
22 that it will spend the proceeds of the Notes with due diligence  
23 to the completion of the purposes specified herein and will  
24 make no use of the proceeds of the Notes or of its other money  
25 at any time or take any other action during the term of the  
26 Notes which will cause the Notes to be arbitrage bonds within  
27 the meaning of Section 103(c) of the United States Internal  
28 Revenue Code of 1954, as amended, and applicable regulations  
29 promulgated thereunder.

30       SECTION 21. Contract; Savings Clause. The covenants con-  
31 tained in this ordinance and in the Notes shall constitute a  
32

1 contract between the county and the holder of each and every  
2 Note. If any one or more of the covenants or agreements  
3 provided in this ordinance to be performed on the part of the  
4 county shall be declared by any court of competent jurisdiction  
5 and final appeal (if any appeal be taken) to be contrary to  
6 law, then such covenant or covenants, agreement or agreements,  
7 shall be null and void and shall be deemed separable from the  
8 remaining covenants and agreements in this resolution and shall  
9 in no way affect the validity of the other provisions of this  
10 ordinance or of the Notes.

11 SECTION 22. The County Council finds as a fact and  
12 declares that an emergency exists and that this ordinance is  
13 necessary for the immediate preservation of public peace,  
14 health or safety or for the support of county government and  
15 its existing public institutions.

16 INTRODUCED AND READ for the first time this 1st  
17 day of April, 1985.

18 PASSED this 15th day of April, 1985.

19  
20 KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

21  
22 Gary Grant  
23 Chairman

24 ATTEST:

25 Dorothy M. Quinn  
26 Clerk of the Council

27 APPROVED this 15th day of APRIL, 1985.

28  
29 Randy Redell  
30 King County Executive

31 3023D