

ORDINANCE NO. 9418

AN ORDINANCE providing for the sale to The First Boston Corporation of \$12,770,000 of limited tax levy general obligation bonds of the county previously authorized by Ordinance No. 9403; amending Ordinance No. 9403, Sections 4 and 25, and declaring an emergency.

PREAMBLE:

By Ordinance No. 9403, the county council authorized the issuance and public sale of its limited tax levy general obligation bonds in the principal amount of \$12,770,000. The county received no bids for such bonds on April 16, 1990, the proposed public sale date of such bonds. A significant portion of the bond proceeds are needed to repay an interfund loan made to acquire the King County Aquatics Center. The bonds are scheduled to close simultaneously with another issue of county bonds to provide cost savings and administrative efficiencies to the county.

The county has now received and evaluated offers to purchase the bonds from two syndicates of underwriters, and has determined that the offer of The First Boston Corporation to acquire the bonds in accordance with the terms set forth in its offer and Ordinance No. 9403 is in the best interest of the county.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance No. 9403, Section 4 is hereby amended to read as follows:

Purpose, Authorization and Description of Bonds; Use of Depository.

A. Purpose and Authorization of Bonds. The county shall now issue and sell \$12,770,000 of Bonds for the purpose of providing the county with part of the funds required to pay the cost of the projects authorized in Section 3 hereof.

B. Description. The Bonds shall be designated "Limited Tax General Obligation Bonds, 1990, Series B (Various Purpose). The Bonds shall be dated April 15, 1990, shall be fully registered as to both principal and interest, shall be in the denomination of \$5,000 each or any integral multiple thereof (but no Bond shall represent more than one maturity), shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification, and shall mature on December 1 in the years and amounts as follows:

	<u>Maturity Years</u>	<u>Amounts</u>
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2	1992	\$ 390,000
3	1993	415,000
4	1994	440,000
5	1995	470,000
6	1996	495,000
7	1997	525,000
8	1998	565,000
9	1999	600,000
10	2000	640,000
11	2001	685,000
12	2002	735,000
13	2003	785,000
14	2004	840,000
15	2005	900,000
16	2006	965,000
17	2007	1,030,000
18	2008	1,105,000
19	2009	1,185,000

The Bonds shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their date or from the most recent interest payment date for which interest has been paid or duly provided for, whichever is later, payable on June 1, 1991, and semiannually thereafter on the first days of each succeeding December 1 and June 1 to the maturity or earlier redemption of the Bonds, at the ~~((rate or))~~ rates ~~((bid by the successful bidder at public sale and accepted by motion of the county council))~~ set forth in the offer to purchase the Bonds by The First Boston Corporation.

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

C. Initial Immobilization of Bonds; Depository Provisions.

The Bonds initially shall be held in fully immobilized form by DTC acting as depository pursuant to the terms and conditions set forth in the Letter of Representation set forth in Exhibit B hereto and by this reference incorporated herein. To induce DTC to accept the Bonds as eligible for deposit at DTC, the County Finance Manager is authorized to execute the Letter of Representation, with such changes as hereafter may be approved by him, and such approval shall be conclusively presumed by the County Finance Manager's execution thereof. Neither the county nor the Bond Registrar shall have any responsibility or obligation

1 to DTC participants or the persons for whom they act as nominees
2 with respect to the Bonds regarding accuracy of any records
3 maintained by DTC or DTC participants of any amount in respect of
4 principal or redemption price of or interest on the Bonds, or any
5 notice which is permitted or required to be given to Registered
6 Owners under this ordinance (except such notice as is required to
7 be given by the county to the Bond Registrar or to DTC).

8 The Bonds initially shall be issued in denominations equal to
9 the aggregate principal amount of each maturity and initially
10 shall be registered in the name of CEDE & CO., as the nominee of
11 DTC. The Bonds so registered shall be held in fully immobilized
12 form by DTC as depository. For so long as any Bonds are held in
13 fully immobilized form, DTC, its successor or any substitute
14 depository appointed by the county, as applicable, shall be deemed
15 to be the Registered Owner for all purposes hereunder and all
16 references to Registered Owners, bondowners, bond holders, owners
17 or the like shall mean DTC or its nominees and shall not mean the
18 owners of any beneficial interests in the Bonds. Registered
19 ownership of such Bonds, or any portions thereof, may not
20 thereafter be transferred except: (i) to any successor of DTC or
21 its nominee, if that successor shall be qualified under any
22 applicable laws to provide the services proposed to be provided
23 by it; (ii) to any substitute depository appointed by the county
24 pursuant to this subsection or such substitute depository's
25 successor; or (iii) to any person as herein provided if the Bonds
26 are no longer held in immobilized form.

27 Upon the resignation of DTC or its successor (or any
28 substitute depository or its successor) from its functions as
29 depository, or a determination by the county that it is no longer
30 in the best interests of beneficial owners of the Bonds to
31 continue the system of book entry transfers through DTC or its
32 successor (or any substitute depository or its successor), the
33 county may appoint a substitute depository. Any such substitute
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1 depository shall be qualified under any applicable laws to provide
2 the services proposed to be provided by it.

3 In case of any transfer pursuant to clause (i) or (ii) of the
4 second paragraph of this subsection, the Bond Registrar, upon
5 receipt of all outstanding Bonds together with a written request
6 on behalf of the county, shall issue a single new Bond for each
7 maturity of Bonds then outstanding, registered in the name of such
8 successor or such substitute depository, or their nominees, as the
9 case may be, all as specified in such written request of the
10 county.

11 In the event that (a) DTC or its successor (or substitute
12 depository or its successor) resigns from its functions as
13 depository, and no substitute depository can be obtained, or (b)
14 the county determines that it is in the best interests of the
15 beneficial owners of the Bonds that they be able to obtain Bond
16 certificates, the ownership of Bonds may be transferred to any
17 person as herein provided, and the Bonds shall no longer be held
18 in fully immobilized form. The county shall deliver a written
19 request to the Bond Registrar, together with a supply of
20 definitive Bonds, to issue Bonds as herein provided in any
21 authorized denomination. Upon receipt of all then outstanding
22 Bonds by the Bond Registrar, together with a written request on
23 behalf of the county to the Bond Registrar, new Bonds shall be
24 issued in such denominations and registered in the names of such
25 persons as are requested in such a written request.

26 D. Place, Manner and Medium of Payment. Both principal of
27 and interest on the Bonds shall be payable in lawful money of the
28 United States of America. For so long as outstanding Bonds are
29 registered in the name of CEDE & Co., or its registered assigns,
30 as nominee of DTC, payments of principal of and interest on the
31 Bonds shall be made in next day funds on the date such payment is
32 due and payable at the place and in the manner provided in the
33 Letter of Representation.

1 In the event that Bonds are no longer immobilized by DTC,
2 interest on the Bonds shall be paid by checks or drafts mailed,
3 or by wire transfer, to owners of Bonds at the addresses for such
4 owners appearing on the Bond Register on the 15th day of the
5 calendar month preceding the interest payment date. Wire transfer
6 will be made only if so requested in writing and if the owner owns
7 at least one million dollars (\$1,000,000) par value of the Bonds.
8 Principal of the Bonds shall be payable at maturity or on such
9 dates as may be fixed for prior redemption upon representation and
10 surrender of the Bonds by the owners at either principal office
11 of the Registrar in Seattle, Washington, or New York, New York,
12 at the option of such owners.

13 SECTION 2. Ordinance No. 9403, Section 25, is hereby amended
14 to read as follows:

15 Sale of Bonds. (~~The Bonds shall be sold at public sale,~~
16 ~~substantially in accordance with the terms and conditions of the~~
17 ~~Official Notice of Bond Sale attached hereto as Exhibit C. Bids~~
18 ~~must be on an all or none basis. The clerk of the county council~~
19 ~~is directed to cause an abridged Notice of Bond Sale to be~~
20 ~~published at least once in a financial newspaper or journal of~~
21 ~~general circulation throughout the United States and to provide~~
22 ~~such other notice as he/she may deem advisable.)) The offer to
23 purchase the Bonds of The First Boston Corporation received April
24 19, 1990 is hereby accepted. The Bonds shall be sold to The First
25 Boston Corporation in accordance with its offer and the Request
26 for Proposal To Purchase Bonds dated April 17, 1990 and attached
27 hereto as Exhibit A. All actions taken on behalf of the county
28 in distributing the Request for Proposal To Purchase Bonds and
29 negotiating the purchase of the Bonds are hereby ratified and
30 confirmed.~~

31 SECTION 3. The county council finds as a fact and declares
32 that an emergency exists and that this ordinance is necessary for
33 the immediate preservation of public peace, health or safety or
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1 for the support of county government and its existing public
2 institutions.

3 INTRODUCED AND READ for the first time this 23rd day of
4 April, 1990.

5 PASSED this 23rd day of April, 1990.

6 KING COUNTY COUNCIL
7 KING COUNTY, WASHINGTON

8 Lois North
9 Chairman

10 ATTEST:

11 Gerald A. Suter
12 Clerk of the Council

13 APPROVED this 25 day of April, 1990.

14 Jim Hill
15 King County Executive
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REQUEST FOR PROPOSAL
TO PURCHASE BONDS
KING COUNTY, WASHINGTON

\$12,770,000 LIMITED TAX GENERAL OBLIGATION BONDS, 1990, SERIES B
(Various Purpose)
BOOK ENTRY ONLY

Proposals will be accepted until 10:00 a.m. PDT on Thursday, April 19, 1990 by the Finance Manager of King County, Washington (the "County"), at the King County Finance Division, Room 611, King County Administration Building, 500 Fourth Avenue, Seattle, Washington 98104. Facsimile proposals will be accepted subject to the availability of the facsimile transmission line at (206)296-7345. The financial advisor will call the underwriter to verify the facsimile transmission upon receipt thereof. Proposals must be submitted on a copy of the attached Proposal Form.

DESCRIPTION OF THE BONDS

The \$12,770,000 Limited Tax General Obligation Bonds, 1990, Series B (Various Purpose) (the "Bonds"), will be dated April 15, 1990; will be in the denomination of \$5,000 or any integral multiple thereof within a single maturity; will be numbered separately and in the manner and with any additional designation as the Bond Registrar (collectively the fiscal agencies of the State of Washington in Seattle, Washington, and New York, New York) deems necessary for purposes of identification; and will bear interest at such rate or rates as the County Council shall fix at the time the proposal is accepted, payable on June 1, 1991, and semiannually thereafter on each succeeding December 1 and June 1.

The Bonds will mature on December 1 in years and amounts as follows:

<u>Maturity Years</u>	<u>Maturity Amount</u>	<u>Maturity Years</u>	<u>Maturity Amount</u>
1992	\$390,000	2001	\$ 685,000
1993	415,000	2002	735,000
1994	440,000	2003	785,000
1995	470,000	2004	840,000
1996	495,000	2005	900,000
1997	525,000	2006	965,000
1998	565,000	2007	1,030,000
1999	600,000	2008	1,105,000
2000	640,000	2009	1,185,000

IMMOBILIZATION OF THE BONDS

The Bonds shall be issued initially in the form of separate, single, authenticated, fully registered Bonds in the amount of each stated maturity of the Bonds, shall be registered in the name of CEDE & CO., as nominee for the Depository Trust Company of New York, New York ("DTC"), and shall be held in fully immobilized form by DTC as depository pursuant to a Letter of Representation to be entered into by the County and the Bond Registrar and received and accepted by DTC. Reference is made to the Preliminary Official Statement for more details of the immobilization.

OPTIONS OF REDEMPTION

Bonds maturing in the years 1991 through 2000, inclusive, are not subject to redemption prior to their stated maturity dates. The County has reserved the right and option to redeem Bonds maturing on or after December 1, 2001, beginning on December 1, 2000, as a whole at any time or in part on any interest payment date, with the maturities to be redeemed to be selected by the County (and by lot within a maturity in such manner as the Bond Registrar shall determine) at par plus accrued interest to the date fixed for redemption.

Any Bond in the principal amount of greater than \$5,000 may be redeemed partially in any integral multiple of \$5,000. In such event, upon surrender of that Bond at either of the principal offices of the Bond Registrar, a new Bond or Bonds, at the option of the registered owner, of the same interest rate and maturity in the aggregate principal amount remaining unredeemed shall be issued to the registered owner in the denomination of \$5,000 or any integral multiple thereof, and shall be authenticated and delivered to such registered owner without charge.

The County further has reserved the right and option to purchase any or all of the Bonds in the open market at any time and at any price.

SECURITY

The County irrevocably has pledged for as long as any of the Bonds are outstanding to include in its annual budget and its annual regular property tax levy, upon all of the taxable property within the County, within and as a part of the property taxes authorized by law to be levied by the County without a vote of the people, amounts sufficient together with other money of the County which may be legally available for such purpose, to pay the principal of and interest on the Bonds as the same shall become due. The full faith, credit and resources of the County are irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest as the same becomes due.

PROPOSAL INFORMATION

Underwriters are invited to submit a proposal for the purchase of the Bonds fixing the interest rate or rates that those Bonds will bear. The proposal shall specify either (a) the lowest rate or rates of interest, together with premium, at which the underwriter will purchase the Bonds, or (b) the lowest rate or rates of interest at which the underwriter will purchase the Bonds at par. No proposal will be considered for less than the par amount of the Bonds plus accrued interest. The underwriter must pay accrued interest, if any, to the date of delivery of the Bonds.

Interest rates submitted shall be in multiples of 1/8 or 1/20 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 interest rates named in any proposal shall not exceed 3 percentage points.

For the purpose of comparing proposals only, the interest rates offered being controlling, each proposal shall state the true interest cost of the proposal determined in the manner hereinafter stated. The true interest cost will be determined by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the price proposed, without regard to interest accrued to the date of delivery of the Bonds.

The successful underwriter will be required to certify the initial reoffering price to the public (excluding bond houses and brokers) for each maturity of the Bonds to the County's bond counsel not less than five business days prior to closing. This certification shall constitute the agreement of the bidder to offer all Bonds in each maturity for sale at a price no greater than the certified reoffering price until at least ten percent of the principal amount of each maturity is sold at a price less than or equal to the certified reoffering price.

AWARD

The County reserves the right to negotiate the sale of the Bonds with any qualified underwriter making a proposal conforming to the terms of the Request for Proposal and which, primarily on the basis of the lowest true interest cost, is the best proposal. If there are two or more equal proposals received, the Finance Manager of the County shall determine which proposal will be accepted. The County reserves the right to reject any or all proposals submitted and to waive any formality in the proposal process, and, if all proposals are rejected, the Bonds may be readvertised for sale in the manner provided by law. Any proposal received after the time specified for the receipt of proposals will not be accepted. The County Council is scheduled to accept the winning proposal at its regularly scheduled meeting on Monday, April 23, 1990.

DELIVERY

The Bonds will be delivered on behalf of the successful underwriter to DTC in New York, New York, within forty days after the sale date immediately upon the receipt by the County of the purchase price in immediately available federal funds, in Seattle, Washington. Delivery is expected to be on or about May 4, 1990.

CUSIP numbers will be typed or printed on the Bonds, if requested by the successful underwriter, but neither failure to print CUSIP numbers on any Bond nor error with respect thereto shall constitute cause for a failure or refusal by the underwriter to accept delivery of and pay for the Bonds in accordance with its proposal. All expenses in relation to the typing or printing of CUSIP numbers on the Bonds will be paid by the County, but the fee of the CUSIP Service Bureau for the assignment of those numbers shall be the responsibility of and shall be paid by the underwriter.

It is understood that if, prior to the delivery of the Bonds, the interest receivable by the owners of the Bonds becomes includable in gross income for federal income tax purposes, or becomes subject to federal income tax other than as described in any Official Statement, the successful underwriter, at its option, may be relieved of its obligation to purchase the Bonds.

The Bonds will be furnished by the County and will be sold with the approving legal opinion of Preston Thorgrimson Shidler Gates & Ellis, bond counsel of Seattle, Washington. The approving legal opinion relative to the issuance of the Bonds shall be printed on each Bond, if the Bonds are printed, or accompanying the Bonds, if the Bonds are typed, all at the expense of the County. Executed counterparts of bond counsel opinion will be provided to the managing underwriter in Seattle, Washington, at the time of the delivery of the Bonds. Bond counsel's opinion shall express no opinion concerning the completeness or accuracy of any Official Statement, offering circular or any other sales material issued or used in connection with the Bonds. A non-litigation certificate and an arbitrage certificate will be included in the closing papers for the Bonds.

OFFICIAL STATEMENT AND OTHER INFORMATION

A copy of the County's Preliminary Official Statement, dated March 30, 1990, may be obtained by contacting the County Finance Manager or the county's financial advisors, the addresses and telephone numbers of which are listed below. The Preliminary Official Statement is in a form deemed final by the County for the purpose of SEC Rule 15c-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 managing underwriter not later than seven business days after the County's acceptance of the managing underwriter's proposal. No more than 700 copies of the final Official Statement will be delivered.

By submitting the successful proposal, the managing underwriter agrees to file, or cause to be filed, within one business day following receipt from the County, the final Official Statement with a nationally recognized municipal securities information repository designated by the Securities and Exchange Commission.

The County will advise the managing underwriter, by written notice, of any "developments that impact the accuracy and completeness of the key presentations" (within the meaning of Rule 15c2-12) contained in the final Official Statement, which may occur during the period commencing on the date of the acceptance by the County of the successful proposal and ending on the 90th day next following that date of acceptance, unless the final Official Statement has been filed with such municipal securities information repository, in which event such period shall end on the 25th day.

The Preliminary Official Statement and further information regarding the details of the Bonds may be received upon request to the County Finance Manager or to Shearson Lehman Hutton, Inc., 999 Third Avenue, Seattle, Washington 98103 (telephone: (206) 344-3575), or to Public Financial Management, 345 California Street, Suite 2550, San Francisco, CA 94104 (telephone: (415) 982-5544), the County's financial advisors.

PROPOSAL FORM
FOR THE PURCHASE OF
\$12,770,000
KING COUNTY, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BONDS, 1990, SERIES B (Various Purpose)

9418

Ladies/Gentlemen:

April 17, 1990

King County, Washington, is soliciting proposals from Underwriters with the specifications described in the Request for Proposal dated April 17, 1990 for the purchase of \$12,770,000 King County, Washington, Limited Tax General Obligation Bonds, 1990, Series B (Various Purpose) (the "Bonds"). The undersigned hereby offers to purchase the Bonds for the sum of \$12,770,000 (par) plus a premium of \$_____ plus accrued interest from April 15, 1990 to the date of delivery. This proposal is made for not less than the entire principal amount of the issue which shall bear interest at the rate or rates (in multiples of 1/8 or 1/20 of 1%, or both) as shown in the following schedule.

Note: The maximum differential between the lowest and highest interest rates named in any bid shall not exceed 3 percentage points.

<u>December 1</u>	<u>Maturity Amount</u>	<u>Interest Rate</u>	<u>December 1</u>	<u>Maturity Amount</u>	<u>Interest Rate</u>
1992	\$ 390,000	%	2001	\$ 685,000	%
1993	415,000	%	2002	735,000	%
1994	440,000	%	2003	785,000	%
1995	470,000	%	2004	840,000	%
1996	495,000	%	2005	900,000	%
1997	525,000	%	2006	965,000	%
1998	565,000	%	2007	1,030,000	%
1999	600,000	%	2008	1,105,000	%
2000	640,000	%	2009	1,185,000	%

The Bonds will be delivered on behalf of the successful bidder to DTC in New York, New York, within forty days after the sale date immediately upon the receipt by the County of the purchase price in immediately available federal funds in Seattle, Washington. Delivery is expected to be on or about May 4, 1990.

Respectfully submitted,

Authorized Signature

Title

Account Manager Telephone Number

A list of members of our account on whose behalf this proposal is made is attached hereto.

CALCULATION OF TRUE INTEREST COST

For information purposes only, and not as part of the proposal, the interest rates indicated will result in true interest cost to the County of:

_____ %

True interest cost (as defined in the Request for Proposal) is the annual rate which, when compounded semiannually, will discount the debt service payments on the Bonds from the payment date to the date of the bond and to the price bid, without regard to interest accrued to the date of delivery.

SUBMISSION OF PROPOSALS

Proposals will be accepted until 10:00 a.m. PDT on Thursday, April 19, 1990 by the King County Finance Manager at the King County Finance Division, Room 611, King County Administration Building, 500 Fourth Avenue, Seattle, Washington 98104. Facsimile proposals will be accepted subject to the availability of the facsimile transmission line at (206)296-7345. The financial advisor will call the underwriter to verify the facsimile transmission upon receipt thereof. Proposals must be submitted on a copy of this proposal form.

Please list on a separate page additional requirements regarding your proposal, if any.