

_____, 1994

INTRODUCED BY: PETE VON REICHBAUER

PROPOSED NO. 94 - 607

ORDINANCE NO. 11551

AN ORDINANCE providing for the issuance and sale to Seattle-First National Bank of a limited tax general obligation bond anticipation note of the County in the principal amount of not to exceed \$40,000,000 to establish a line of credit with such bank to provide interim financing for the costs of certain capital improvements to and maintenance of the Kingdome and expenses related thereto, including legal and contractual expenses; providing the date, form, terms and conditions of said note; authorizing the issuance of limited tax general obligation bonds of the County to provide funds to pay and redeem said note; creating a note fund; authorizing procedures for draws on the line of credit secured by such note; and declaring an emergency.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

Section 1. Definitions. As used in this ordinance the following words shall have the following meanings:

"Arbitrage and Tax Certification" means the certificate of that name executed and delivered by the County on the date of issuance and delivery of the Note, which certificate pertains to the calculation and payment of any Rebate Amount with respect to the Note.

"Authorized Officer" means the County's Chief Financial Officer or her designee

"Bank" means Seattle-First National Bank, Seattle, Washington, and its business successor.

"Bonds" means the not to exceed \$40,000,000 principal amount of King County, Washington, limited tax general obligation bonds authorized to be issued by this ordinance for the purpose of providing permanent financing for the Project.

"Code" means the Internal Revenue Code of 1986, as amended, together with all applicable regulations thereunder.

"County" means King County, Washington, a political subdivision duly organized and existing under and by virtue of the Constitution and laws of the State of Washington.

"Council" means the general legislative body of the County as the same shall be duly and regularly constituted from time to time.

"Government Obligations" means those obligations now or hereafter defined as such in Chapter 39.53 RCW.

1 "Note" means the King County, Washington, Limited Tax General Obligation Bond
2 Anticipation Note, 1994, in the principal amount of not to exceed \$40,000,000 issued pursuant
3 to this ordinance for the purpose of establishing a line of credit with the Bank to provide interim
4 financing for costs of the Project.

5 "Note Fund" means the heretofore created fund of the County known as the "King
6 County, Limited Tax General Obligation Bond Redemption Fund."

7 "Note Register" means the books or records maintained by the Note Registrar, pursuant
8 to Section 149(a) of the Code, containing the name and mailing address of the owner of the
9 Note.

10 "Note Registrar" means the Treasurer for the purposes of registering and authenticating
11 the Note, maintaining the Note Register, effecting transfer of ownership of the Note and paying
12 interest on and principal of the Note.

13 "Outstanding Principal Balance" of the Note means on any particular day the aggregate
14 of all funds that the County has drawn from the Bank under the Note to that day, less the
15 aggregate of all principal payments on the Note made by the County on or before that day.

16 "Prime Rate" means the rate of interest publicly announced from time to time by the
17 Bank as its Large Business Prime Rate or Prime Rate. The Prime Rate is set by the Bank based
18 upon various factors including the Bank's costs and desired return, general economic conditions
19 and other factors and is used as a reference point for pricing some loans. The Bank may make
20 loans at, above or below the Prime Rate. The Prime Rate is not necessarily the lowest rate
21 offered by the Bank to its most creditworthy customers from time to time.

22 "Project" means the capital improvements to and maintenance of the Kingdome and
23 expenses related thereto, including legal and contractual expenses, as described in Section 2 of
24 this ordinance.

25 "Rebate Amount" means the amount, if any, determined to be payable with respect to the
26 Note by the County to the United States of America in accordance with Section 148(f) of the
27 Code.

28 "Treasurer" means the Manager of the Finance Division of King County.

29 Section 2. Authorization of Project. The plans of the County for certain capital
30 improvements to and maintenance of the Kingdome and expenses related thereto, including legal
31 and contractual expenses, are hereinafter referred to collectively as the "Project." Proceeds of
32 sale of the Note shall be used to pay costs of the Project, including reimbursement of

1 expenditures heretofore made by the County for such costs, and to pay costs of issuance of the
2 Note.

3 Section 3. Authorization of Bonds The County hereby authorizes the issuance of
4 limited tax general obligation bonds of the County in the principal amount of not to exceed
5 \$40,000,000 (the "Bonds"), to provide permanent financing for the Project and to pay costs of
6 issuance of the Bonds. The exact date, forms, terms and maturities of the Bonds shall be as
7 hereafter fixed by ordinance of the County Council.

8 Section 4. Authorization of Note. In anticipation of the issuance of the Bonds, the
9 County hereby authorizes the issuance and sale to the Bank of a limited tax general obligation
10 bond anticipation note in the aggregate principal amount of not to exceed \$40,000,000 (the
11 "Note") to establish a line of credit with the Bank to provide interim financing for the Project
12 and pay costs of issuance of the Note. The Note shall be designated "King County, Washington,
13 Limited Tax General Obligation Bond Anticipation Note, 1994"; shall be dated the date of its
14 delivery to the Bank; shall mature eighteen months from its date; shall be issued in fully
15 registered form in the denomination of not to exceed \$40,000,000; and shall be numbered in
16 such manner and with any additional designation as the Note Registrar deems necessary for
17 purposes of identification.

18 The Note shall bear interest on the Outstanding Principal Balance at a variable rate equal
19 to the Prime Rate minus 310 basis points. Such variable rate will be recalculated at the
20 beginning of each month. Interest on a particular principal amount drawn under the Note shall
21 be determined from the date the Bank honors such draw. Interest shall be calculated on the
22 basis of a year of 365/366 days and actual days elapsed. All interest and the Outstanding
23 Principal Balance shall be due and payable at final maturity or upon prior redemption of the
24 Note.

25 Section 5. Registration, Payment and Transfer. The Treasurer shall act as
26 authenticating agent, transfer agent, paying agent and registrar for the Note (collectively, the
27 "Note Registrar"). Both principal of and interest on the Note shall be payable in lawful money
28 of the United States of America. Principal of and interest on the Note shall be paid by check or
29 draft of the Note Registrar mailed five calendar days prior to the date such principal and interest
30 is due or by electronic funds transfer made on the date such principal and interest is due to the
31 registered owner or nominee at the address appearing on the Note Register. Upon final payment
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1 of all principal and interest thereon, the Note shall be submitted to the Note Registrar for
2 cancellation and surrender.

3 The Note may be transferred only on the Note Register maintained by the Note Registrar
4 for that purpose upon the surrender thereof by the registered owner or nominee or his/her duly
5 authorized agent and only if endorsed in the manner provided thereon, and thereupon a new fully
6 registered Note of like principal amount, maturity and interest rate shall be issued to the
7 transferee in exchange therefor. Such transfer or exchange shall be without cost to the
8 registered owner or transferee.

9 Section 6. Prepayment. Upon one day's written notice to the registered owner of the
10 Note, the County may prepay all or a portion of the Outstanding Principal Balance of the Note,
11 together with interest thereon, without penalty.

12 Section 7. Note Redemption Fund; Note Covenants. A special fund of the County
13 known as the "King County Limited Tax General Obligation Bond Redemption Fund" (the
14 "Note Fund") has heretofore been created in the office of the Treasurer. The Note Fund shall be
15 drawn upon to pay the principal of and interest on the Note.

16 The Note is a limited tax general obligation of the County. The full faith, credit and
17 resources of the County are hereby irrevocably pledged for the prompt payment of the principal
18 of and interest on the Note as the same shall become due. The County hereby irrevocably
19 covenants and agrees so long as the Note remains outstanding and unpaid to set aside and pay
20 into the Note Fund out of the proceeds of sale of the Bonds, or from other funds of the County
21 legally available therefor without a vote of the people, such amounts as are required to pay the
22 principal of and interest on the Note as the same shall become due. The County hereby further
23 irrevocably covenants that it will issue the Bonds or refunding bond anticipation notes in an
24 amount sufficient, together with all other funds of the County legally available for such purpose
25 without a vote of the people, to make the payments required by this ordinance to be made into
26 the Note Fund as the same shall become due.

27 Section 8. Defeasance. In the event that money and/or Government Obligations
28 maturing at such time or times and bearing interest to be earned thereon in amounts sufficient to
29 redeem and retire the Note in accordance with its terms, are set aside in a special account to
30 effect such redemption or retirement and such money and the principal of and interest on such
31 obligations are irrevocably set aside and pledged for such purpose, then no further payments
32 need be made into the Note Fund for the payment of the principal of and interest on the Note so

1 provided for and the Note shall cease to be entitled to any lien, benefit or security of this
2 ordinance except the right to receive the funds so set aside and pledged, and the Note shall be
3 deemed not to be outstanding hereunder.

4 Section 9. Tax Covenants.

5 A. Covenants Regarding Arbitrage and Private Activity. The County hereby
6 covenants that it will not make any use of the proceeds of sale of the Note or any other funds of
7 the County that may be deemed to be proceeds of the Note pursuant to Section 148 of the Code
8 that will cause the Note to be an "arbitrage bond" within the meaning of said section. The
9 County will comply with the requirements of Section 148 of the Code (or any successor
10 provision thereof applicable to the Note) and the applicable regulations thereunder throughout
11 the term of the Note.

12 The County further covenants that it will not take any action or permit any action to be
13 taken that would cause the Note to constitute a "private activity bond" under Section 141 of the
14 Code.

15 B. Arbitrage Rebate. The County covenants and agrees to pay the Rebate Amount,
16 if any, to the United States of America at the times and in the amounts necessary to meet the
17 requirements of the Code to maintain the federal income tax exemption for interest payments on
18 the Note, in accordance with the Arbitrage and Tax Certification.

19 Section 10. Lost or Destroyed Note. In case the Note is lost, stolen or destroyed, the
20 Note Registrar may execute and deliver a new Note of like amount, date, and tenor to the
21 registered owner thereof upon the owner's paying the expenses and charges of the County and
22 the Note Registrar in connection therewith and upon his/her filing with the County and the Note
23 Registrar evidence satisfactory to said County and Note Registrar that the Note was actually
24 lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the County and
25 Note Registrar with indemnity satisfactory to the County and Note Registrar.
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1 Section 11. Form of the Note. The Note shall be in substantially the following form:

2 UNITED STATES OF AMERICA

3 NO. _____ \$ _____

4 STATE OF WASHINGTON

5 KING COUNTY

6 LIMITED TAX GENERAL OBLIGATION BOND ANTICIPATION NOTE, 1994

7 INTEREST RATE: MATURITY DATE:
8 Variable Rate (as described herein) _____, 1996

9 REGISTERED OWNER: SEATTLE-FIRST NATIONAL BANK

10 PRINCIPAL AMOUNT: _____ DOLLARS
11 (Drawn as provided herein)

12 King County, Washington, a municipal corporation organized and existing under and by
13 virtue of the laws and Constitution of the State of Washington (the "County"), hereby
14 acknowledges itself to owe and for value received promises to pay to the Registered Owner
15 identified above, or registered assigns, on the Maturity Date identified above, the Outstanding
16 Principal Balance (as defined below) of this note, in an amount not to exceed the Principal
17 Amount specified above, unless redeemed prior thereto as provided herein, together with
18 interest on such Outstanding Principal Balance from the date hereof or the most recent date to
19 which interest has been paid or duly provided for at a variable rate equal to the Prime Rate of
20 Seattle-First National Bank minus 310 basis points. Such variable rate will be recalculated at the
21 beginning of each month. The Outstanding Principal Balance on any particular day shall be the
22 aggregate of all funds that the County has drawn from the date of this note to that day less the
23 aggregate of all principal payments made by the County on or before that day. Interest on a
24 particular principal amount drawn under this note shall be determined from the date the Bank
25 honors such draw. Interest shall be calculated on the basis of a year of 365/366 days and actual
26 days elapsed. Both principal of and interest on this note are payable in lawful money of the
27 United States of America. Upon final payment of all principal of and interest on this note, it
28 shall be submitted to the Manager of the Finance Division of King County (the "Note
29 Registrar") for cancellation and surrender.

30 This note is issued pursuant to Ordinance No. _____ of the County (the "Note
31 Ordinance"), to provide interim financing for the costs of certain capital improvements to and
32 maintenance of facilities of the County and expenses related thereto and to pay costs of issuance
of this note. Reference is made to the Note Ordinance as more fully describing the covenants
with and rights of the Registered Owner of the note or registered assigns and the meanings of
capitalized terms appearing on this note that are defined in such ordinance. Requests for draws
under this note shall be made by an Authorized Officer of the County in accordance with the
Note Ordinance.

Upon one day's written notice to the Registered Owner hereof, the County may prepay
all or a portion of the Outstanding Principal Balance of this note, together with interest thereon,
without penalty.

This note is a limited tax general obligation of the County. The full faith, credit and
resources of the County are irrevocably pledged for the prompt payment of the principal of and
interest on this note as the same shall become due. The County has covenanted in the Note

1 Ordinance to set aside and pay into the Note Fund out of the proceeds of sale of limited tax
2 general obligation bonds of the County (the "Bonds"), or from other funds of the County legally
3 available therefor without a vote of the people, such amounts as are required to pay the principal
4 of and interest on this note at its maturity. The County has also covenanted in the Note
5 Ordinance that it will issue the Bonds or refunding bond anticipation notes in an amount
6 sufficient, together with all other funds of the County legally available for such purpose without
7 a vote of the people, to make the payments required by the Note Ordinance to be made into the
8 Note Fund as the same shall become due.

9 This note is not a "private activity bond" as such term is defined in the Internal Revenue
10 Code of 1986, as amended (the "Code"). This note has not been designated as a qualified tax-
11 exempt obligation under Section 265(b) of the Code for investment by financial institutions.

12 This note shall not be valid or become obligatory for any purpose or be entitled to any
13 security or benefit under the Note Ordinance until the Registration Certificate hereon shall have
14 been manually signed by or on behalf of the Note Registrar or its duly designated agent.

15 It is hereby certified that all acts, conditions and things required by the Constitution and
16 statutes of the State of Washington to exist, to have happened, been done and performed
17 precedent to and in the issuance of this note have happened, been done and performed and that
18 the issuance of this note does not violate any constitutional, statutory or other limitation upon
19 the amount of bonded indebtedness that the County may incur.

20 IN WITNESS WHEREOF, King County, Washington, has caused this note to be
21 executed by the manual signatures of the County Executive and Clerk of the County Council as
22 of this _____ day of September, 1994.

23 KING COUNTY, WASHINGTON

24 By _____
25 County Executive

26 ATTEST:

27 _____
28 Clerk of the County Council

29 REGISTRATION CERTIFICATE

30 This note is registered in the name of the Registered Owner on the books of the County,
31 in the office of the Manager of the Finance Division of King County (the "Note Registrar"), as
32 to both principal and interest, as noted in the registration blank below. No transfer hereof shall
be valid unless made by the Registered Owner or his/her duly authorized agent in writing, and
similarly noted hereon. All payments of principal of and interest on this note shall be made by
the County with full acquittance by its check, warrant, or wire transfer payable to the last
Registered Owner as shown hereon and on the registration books of the Note Registrar and
delivered to such owner or mailed to him at his/her address noted hereon and on the registration
books of the Note Registrar.

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Date of Registration	Name and Address of Registered Owner	Signature of Registrar

The Note shall have endorsed thereon the following form of assignment:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner thereof hereby sells, assigns and transfers the within note unto _____

DATED _____

In the presence of:

Section 12. Execution of Note. The Note shall be signed on behalf of the County by the manual or facsimile signature of the County Executive, shall be attested by the manual or facsimile signature of the Clerk of the County Council, and shall have the corporate seal of the County impressed or a facsimile thereof imprinted thereon.

Only such Note as shall bear thereon a Registration Certificate in the form hereinbefore recited, manually executed by the Note Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Registration Certificate shall be conclusive evidence that the Note so authenticated has been duly executed, authenticated and delivered hereunder and is entitled to the benefits of this ordinance.

In case either of the officers who shall have executed the Note shall cease to be such officer or officers of the County before the Note so signed shall have been authenticated or delivered by the Note Registrar, or issued by the County, such Note may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the County as though those who signed the same had continued to be such

1 officers of the County. Any Note may also be signed and attested on behalf of the County by
2 such persons as at the actual date of execution of such Note shall be the proper officers of the
3 County although at the original date of such Note any such person shall not have been such
4 officer of the County.

5 Section 13. Procedures for Draws on the Note. A request for draw pursuant to the
6 Note may be made in writing by an Authorized Officer in any manner approved by the Bank and
7 the Authorized Officer.

8 Section 14. Sale of Note. The sale of the Note to Seattle-First National Bank, Seattle,
9 Washington, at the price and pursuant to the terms and conditions set forth herein and in its offer
10 dated as of September 8, 1994, is hereby in all respects accepted and approved. The proper
11 County officials are hereby authorized and directed to do everything necessary for the prompt
12 execution and delivery of the Note to the Bank and for the proper application and use of the
13 proceeds of draws under the Note.

14 Section 15. Application of Draws on the Note. The proceeds of draws on the Note
15 shall be paid into the appropriate fund of the County, as determined by the Authorized Officer,
16 to be used for the purpose of paying the costs of the Project authorized in Section 2 hereof,
17 including costs necessary and incidental thereto and the costs of issuance of the Note, or for the
18 purpose of reimbursing any fund or funds of the County for advances, if any, made to pay such
19 costs. The County shall maintain separate records of investments and expenditures of Note
20 proceeds in order to comply with the requirements of Section 9 of this ordinance.

21 Section 16. Severability. If any one or more of the covenants or agreements provided
22 in this ordinance to be performed on the part of the County shall be declared by any court of
23 competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or
24 agreements, shall be null and void and shall be deemed separable from the remaining covenants
25 and agreements of this ordinance and shall in no way affect the validity of the other provisions of
26 this ordinance or of the Note.

27 Section 17. Emergency Ordinance; Effective Date. The Council hereby finds and
28 declares that for the immediate preservation of public safety and for the support of County
29 government the Project and financing the costs of the Project must be accomplished as soon as
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1 possible. Therefore, the Council hereby finds and declares that an emergency exists and that this
2 Ordinance shall be effective after its passage as required by law for an emergency ordinance of
3 the County.

4 PASSED by a vote of 10 to 2 this 24th day of October, 1994.

5 KING COUNTY COUNCIL
6 KING COUNTY, WASHINGTON

7 Kent Pullen
8

Chair

9 ATTEST:

10 Gerald A. Peterson
11 Clerk of the Council

12 APPROVED this 2nd day of November, 1994.

13 Ray Lohr
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15 King County Executive

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CLERK'S CERTIFICATE

I, the undersigned, duly chosen, qualified and acting Clerk of the County Council of King County, Washington, and keeper of the records of the County Council (the "Council"), DO HEREBY CERTIFY:

1. That the attached ordinance numbered ____ (the "Ordinance") is a true and correct copy of an ordinance of the County, as finally passed at a meeting of the Council held on the ____ day of September, 1994, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the County this ____ day of September, 1994.

Clerk of the County Council,
King County, Washington

[SEAL]

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