

April 20, 1998  
Clerk 4/27/98

Introduced By: Dwight Pelz

sub:sw

Proposed No.: 98-280

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ORDINANCE NO. **13096**

AN ORDINANCE approving the issuance of industrial revenue bonds by the King County Economic Enterprise Corporation for \$7,500,000, and approving Resolution 98-2 of the King County Economic Enterprise Corporation authorizing the sale of bonds to provide funds to finance certain industrial development facilities for the Puget Sound Blood Center and Program in the city of Renton, King County, Washington, and related matters; and approving execution and delivery by the King County Economic Enterprise Corporation of a Bond Purchase Contract and declaring an emergency.

STATEMENT OF FACTS:

1. The King County Economic Enterprise Corporation ("the Issuer") is authorized and empowered by the provisions of Chapter 30, Laws of 1981 of the State of Washington (chapter 39.84 RCW) (the "Act"), to issue nonrecourse revenue bonds for the purpose of facilitating economic development and employment opportunities and financing all or part of the cost of acquiring, expanding and equipping industrial development facilities in King County, Washington, and
2. In order to facilitate economic development and employment opportunities in King County, the Puget Sound Blood Center and Program, a Washington nonprofit corporation (the "Company"), intends to construct certain industrial development facilities (the "Project") in the city of Renton, King County, and
3. Upon the request of the Company and after due consideration of the construction and financing of the Project as promoting the purposes of the Act and the public purposes of the Issuer, the Issuer by Resolution No. 98-2 proposes to issue and sell its revenue bonds in the principal amount of \$7,500,000 pursuant to the provisions of the Act for the purpose of assisting in financing the costs of the Project, and

1 4. The City of Renton, which exercises planning jurisdiction over the area  
2 in which the Project is located, by Resolution No. 3318, has approved the  
3 financing of the Project by the Issuer, and

4 5. King County is the municipality under whose auspices the Issuer was  
5 created pursuant to the provisions of the Act, and

6 6. Section 39.84.060 of the Act requires the Issuer to obtain the approval  
7 of King County prior to issuing its bonds, and Section 39.84.100(6) of the  
8 Act requires King County to approve by resolution any agreement by the  
9 Issuer to issue bonds and further requires that King County specifically  
10 approve the resolutions of the Issuer providing for the issuance of the bonds  
11 no more than sixty days before the date of the sale of the bonds;

12 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

13 SECTION 1. Approval of Bonds. The county approves the issuance and sale by  
14 the Issuer of its nonrecourse industrial revenue bonds or other obligations (the "Bonds")  
15 pursuant to the provisions of the Act contingent upon the Puget Sound Blood Center and  
16 Program coordinating with the King County Jobs Initiative to hire disadvantaged workers  
17 to fill new production positions created by the project and further specifically approves  
18 Resolution No. 98-2 of the Issuer providing for the issuance of its Bonds in the principal  
19 amount of \$7,500,000 to assist in financing the cost of the Project, together with the costs  
20 incident to the authorization, sale, issuance and delivery of the Bonds.

21 SECTION 2. Approval of Bond Purchase Contract. The county approves the  
22 execution and delivery by the Issuer of the Bond Purchase Contract by and among the  
23 Issuer, the Company as the user of the Project, and U.S. Bancorp Investments as the  
24 underwriter for the Bonds. The Issuer may make or approve such additions, modification  
25 and deletions in such Bond Purchase Contract and the Exhibits thereto, and such other  
26 certificates and documents required thereby as are deemed by the Issuer not to be  
27 inconsistent with the purpose of this motion and in substantial conformity with the

1 documents hereby approved and as may be reasonable and necessary to facilitate the  
2 issuance and sale of the Bonds and the loan of the proceeds thereof to the Company and the  
3 accomplishment of any matters related thereto.

4 SECTION 3. Ordinance to Constitute a Resolution. This ordinance shall constitute  
5 a resolution for purposes of chapter 39.84 RCW.

6 SECTION 4. The Puget Sound Blood Center and Program is a non-profit  
7 corporation whose primary activities are to collect, test and distribute volunteer blood and  
8 tissue donations. The company serves hospitals throughout Washington State, including  
9 Harborview Medical Center located in King County. Given the nature of the critical  
10 services and products provided by the company, the county council finds that this  
11 ordinance is necessary for the immediate preservation of public health and for the support  
12 of existing public institutions. Therefore, the county council finds as a fact and declares  
13 that an emergency exists and that this ordinance is necessary for the immediate  
14 preservation of public peace, health or safety or for the support of county government and  
15 its existing public institutions.

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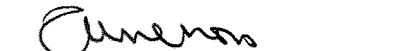
INTRODUCED AND READ for the first time this 20th day of April, 1998.

PASSED by a vote of 13 to 0 this 27th day of April, 1998.

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

  
Chair

ATTEST:

  
Clerk of the Council

APPROVED this 9 day of May, 1998.

  
King County Executive

Attachments:

- A. Resolution No. 98-2 (King County Economic Enterprise Corporation)
- B. Resolution No. 3318 (City of Renton)

## RESOLUTION NO. 98-2

- A Resolution of the Board of Directors of the King County Economic Enterprise Corporation authorizing the issuance and sale of its nonrecourse revenue bonds (Puget Sound Blood Center Project); approving the documentation in connection with the issuance of said bonds; appointing a trustee; and providing for other matters relating thereto.

WHEREAS, the King County Economic Enterprise Corporation (the "Enterprise Corporation") is a public corporation authorized under RCW Chapter 39.84, as amended (the "Act") to issue nonrecourse revenue bonds for the purpose of financing industrial development facilities as defined in the Act; and

WHEREAS, the Board of Trustees of the Puget Sound Blood Center and Program, a Washington nonprofit corporation (the "Company"), which is an organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, by resolution approved on November 27, 1996, took official action toward issuance and sale of its nonrecourse revenue bonds in the principal amount of not to exceed \$5,100,000 for the purpose of financing certain new industrial development facilities to be located in Renton, Washington, as described therein (the "Project") by ; and

WHEREAS, the Company has determined that it now wishes to finance not to exceed \$7,500,000 for costs of the Project and has submitted an application to the Enterprise Corporation requesting that the Enterprise Corporation issue its nonrecourse revenue bonds in the aggregate principal amount of not to exceed \$7,500,000 for such purpose; and

WHEREAS, the Enterprise Corporation has entered into an Indemnification and Compensation Agreement, dated February 12, 1998, with the Company; and

WHEREAS, on March 20, 1998, the Enterprise Corporation held an open public hearing on the issuance of nonrecourse revenue bonds in an amount not to exceed \$7,500,000 pursuant to notice published in the *Seattle Times* on March 5, 1998; and

WHEREAS, forms for the following documents ("Loan Documents") relating to the proposed issue of bonds and the loan of bond proceeds have been prepared and submitted to the Enterprise Corporation in substantially the form attached hereto and are hereby directed to be filed with the Secretary of the Enterprise Corporation:

(a) A Loan Agreement, proposed to be made and entered into between the Enterprise Corporation and the Company (the "Loan Agreement");

(b) An Indenture of Trust (the "Indenture"), proposed to be made and entered into between the Enterprise Corporation and U.S. Bank Trust National Association, as trustee

(the "Trustee"), authorizing the issuance of and setting forth the terms and conditions of the said nonrecourse revenue bonds, assigning the Enterprise Corporation's interest in the Loan Agreement, and setting forth the proposed recitals, covenants and agreements of the parties with respect thereto;

(c) A Bond Purchase Contract (the "Bond Purchase Contract") proposed to be made and entered into by and among the Enterprise Corporation, U.S. Bancorp Investments, Inc., Seattle, Washington (the "Underwriter"), and the Company;

(d) An Official Statement to be circulated by the Underwriter to prospective purchasers of said nonrecourse revenue bonds; and

WHEREAS, pursuant to the foregoing Loan Documents, the Enterprise Corporation hereby determines that the issuance of its nonrecourse revenue bonds (Puget Sound Blood Center Project), in the aggregate principal amount of \$7,500,000 (the "Bonds") is in the public interest and consistent with the Act; and

WHEREAS, the Enterprise Corporation has been advised that the Bonds will be secured by an irrevocable direct pay Letter of Credit (the "Letter of Credit") to be issued by U.S. Bank National Association, a national banking association, Seattle, Washington;

NOW, THEREFORE, BE IT RESOLVED BY THE KING COUNTY ECONOMIC ENTERPRISE CORPORATION, as follows:

Section 1. Findings of the Enterprise Corporation. The Enterprise Corporation hereby finds as follows:

(a) Financing the Project as described more fully on Exhibit A hereto, the issuance and sale of the Bonds, the execution and delivery of the Loan Agreement, the Indenture and the Bond Purchase Contract, and the performance of all covenants and agreements of the Enterprise Corporation contained in the Loan Agreement, the Indenture and the Bond Purchase Contract, and all other acts and things required under the Constitution and laws of the State of Washington to make the Loan Agreement, the Indenture, the Bond Purchase Contract and the Bonds valid and binding, limited obligations of the Enterprise Corporation enforceable against the Enterprise Corporation in accordance with their terms, respectively, are authorized by the Act;

(b) The issuance and sale of the Bonds and the loan of the Bond proceeds by the Enterprise Corporation to the Company to finance the Project are in conformity with and satisfy the guidelines of the Enterprise Corporation with respect to the issuance of nonrecourse revenue bonds under the Act;

(c) In reliance upon delivery of an approving legal opinion from Bond Counsel, Preston Gates & Ellis LLP, the Enterprise Corporation hereby finds and determines that

the interest on the Bonds will be exempt from income taxation by the federal government, subject to certain customary exceptions.

Section 2. Authorization and Approval. The Enterprise Corporation is hereby authorized to lend the proceeds of the Bonds to the Company, and to pledge and assign the loan repayments and revenues therefrom and its interest in the Loan Agreement to the Trustee hereinafter appointed, all as provided in the Loan Agreement and the Indenture. The forms of the Loan Agreement, the Indenture, the Bond Purchase Contract and the Bonds are approved subject to such modifications as are deemed appropriate and approved by the President or Vice President of the Enterprise Corporation and counsel for the Enterprise Corporation, which approval shall be conclusively evidenced by execution and delivery of the Loan Agreement, the Indenture, the Bond Purchase Contract and the Bonds by the President or Vice President of the Enterprise Corporation as therein required. The Loan Agreement is hereby directed to be executed in the name and on behalf of the Enterprise Corporation by the President or Vice President of the Enterprise Corporation, but to be delivered only upon execution thereof by the Company. The Indenture is directed to be executed in the name and on behalf of the Enterprise Corporation by the President or Vice President of the Enterprise Corporation, and delivered to the Trustee.

Section 3. Authorization of Bonds. To finance the Project, the Enterprise Corporation does hereby authorize the issuance, sale and delivery of the Bonds, in the amounts and form set forth in the Indenture, pursuant to the terms set forth therein.

Section 4. Sale of Bonds. The offer of the Underwriter to purchase the Bonds pursuant to the Bond Purchase Contract is hereby accepted. The Bond Purchase Contract shall be executed in the name and on behalf of the Enterprise Corporation by the President or Vice President of the Enterprise Corporation, but shall be delivered only upon execution thereof by the Company and the Underwriter.

Section 5. Approval of Official Statement. The use of the Official Statement is hereby approved, subject to such changes, insertions or omissions as may be approved by the Company and the Underwriter in connection with the offering of the Bonds for sale.

Section 6. Execution and Delivery of Bonds. The President or Vice President and Secretary of the Enterprise Corporation are authorized and directed to execute the Bonds by facsimile or manual signatures for and on behalf of the Enterprise Corporation as provided in the Indenture and to deliver such Bonds to the Trustee hereinafter named for authentication and thereafter to deliver the Bonds to the Underwriter upon the simultaneous payment of the purchase price as specified in the Bond Purchase Contract.

Section 7. Appointment of Trustee. U.S. Bank Trust National Association, Seattle, Washington, is hereby designated as Trustee, and in such capacity shall act as registrar, authentication agent, paying agent and transfer agent for the Bonds, in accordance with the Indenture. The Enterprise Corporation does request and authorize the Trustee on behalf of the Enterprise Corporation to authenticate the Bonds, and the President or the Vice President of the

Enterprise Corporation is authorized to execute a formal request to authenticate the Bonds for and on behalf of the Enterprise Corporation.

Section 8. Further Documents and Certificates. The President, Vice President, Secretary and such other officers of the Enterprise Corporation as may be appropriate, are authorized and directed to execute any and all documents and do any and all things determined necessary to effect the accomplishment of the issuance, sale and delivery of the Bonds and to deliver the necessary documents to the proper parties as requested to carry out the intended purposes of this resolution.

Section 9. Limitations on Liability. Nothing contained in this resolution nor in the Bonds, the Loan Agreement, the Indenture, the Bond Purchase Contract, or any other instrument, shall be construed with respect to the Enterprise Corporation or King County (the "County") as incurring a pecuniary liability or charge upon the general credit of the Enterprise Corporation or the County or against the taxing power of the County, nor shall the breach of any agreement contained in this resolution, the Bonds, the Loan Agreement, the Indenture, the Bond Purchase Contract, or any other instrument or document executed in connection therewith impose any pecuniary liability upon the Enterprise Corporation or the County or any charge upon the credit of the County or the taxing power of the County.

Section 10. Effective Date. This resolution shall take effect immediately upon its adoption in accordance with law.

ADOPTED by the King County Economic Enterprise Corporation this 23rd day of March, 1998.

KING COUNTY ECONOMIC  
ENTERPRISE CORPORATION

By Linda M. Youngs  
Linda Youngs, President  
Board of Directors

ATTEST:

Ray Moser  
Ray Moser, Secretary



13096

EXHIBIT A

The Project consists of the acquisition of land and an existing building and the design, construction and equipping of improvements to the building to provide approximately 30,000 square feet of centralized blood and tissue processing facilities, including centralized inventory production and process laboratories, a major blood testing and blood product staging and distribution center, a major tissue collection and processing facility and a transfusion service laboratory. The Project is located at 501 SW 39th Street in Renton, Washington.

13096

CERTIFICATE

"I, the undersigned, Secretary of the King County Economic Enterprise Corporation (the "Enterprise Corporation"), DO HEREBY CERTIFY:

1. That the attached Resolution No. 98-2 (the "Resolution") is a true and correct copy of a resolution of the Enterprise Corporation as adopted at a special meeting of the Enterprise Corporation held on March 23, 1998.

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 Enterprise Corporation voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution 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 this 23rd day of March, 1998.

  
Secretary

13096

RESOLUTION NO. 3318

A RESOLUTION of the City Council of the City of Renton, Washington, approving the issuance of tax-exempt variable rate demand industrial revenue bonds of the King County Economic Enterprise Corporation for the benefit of Puget Sound Blood Center and Program pursuant to RCW 39.84.060.

WHEREAS, the Legislature of the State of Washington has provided for the creation of public corporations by municipalities, including counties, pursuant to Chapter 300, Laws of Washington, 1981 (Regular Session) codified as Chapter 39.84 RCW, as amended (the "Act"), for the purpose of facilitating economic development and employment opportunities in the State of Washington; and

WHEREAS, pursuant to the Act, the King County Economic Enterprise Corporation (the "Enterprise Corporation") was formed in order to carry out the purposes of the Act; and

WHEREAS, the Enterprise Corporation has received an application from Puget Sound Blood Center and Program, a Washington nonprofit corporation (the "Company") for the purpose of providing financing for the acquisition, construction and equipping of facilities for the processing, storing and distributing of blood products and tissue located at 501 S.W. 39th Street, Renton, Washington (the "Project"), which is within the boundaries of the City of Renton, Washington (the "City"); and

WHEREAS, the Enterprise Corporation and its bond counsel have reviewed the application of the Company and have determined that the Project qualifies as an "industrial development facility" within the meaning of the Act; and

WHEREAS, the Enterprise Corporation intends to issue its variable rate demand 501(c)(3) revenue bonds in an amount not to exceed \$7,500,000 (the "Bonds"); and

WHEREAS, the Act provides that each county, city or town within whose planning jurisdiction the Project is to be located must approve the issuance of revenue bonds by the Enterprise Corporation for such Project; and

WHEREAS, the Enterprise Corporation, as the issuer of the Bonds for the Project, has requested the approval of the City pursuant to the Act; and

WHEREAS, the City has been assured that there will be no financial liability accruing to the City as a result of such approval and that this approval shall constitute approval solely for the purpose of permitting the Enterprise Corporation to proceed with the issuance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RENTON, WASHINGTON, as follows:

Section 1. The City, pursuant to Chapter 39.84 RCW, does hereby approve the issuance of the Bonds by the Enterprise Corporation for the purposes of financing the Project under the Act.

The Bonds are anticipated to be issued by the Enterprise Corporation in the aggregate principal amount of not to exceed \$7,500,000 pursuant to a resolution of the Board of Directors of the Enterprise Corporation for the purposes of financing the Project under the Act.

The proceeds of the Bonds will be loaned to the Company, pursuant to a loan agreement with the Enterprise Corporation, and used for the purposes of paying all or a part of the costs of the Project within the boundaries of the City. The Bonds shall be payable solely from the Company's repayments of the loan under the loan agreement. The Bond shall not constitute an obligation of the City, and no tax funds or other revenues of the City shall be used to pay the principal of, premium, if any, or interest on the Bonds. Neither the faith and credit nor any taxing power or revenues of the City shall ever be pledged to pay the principal of, premium, if any, or interest on the Bonds.

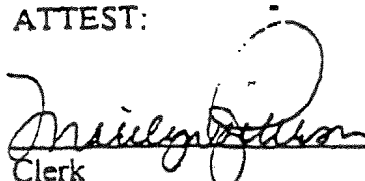
Section 2. This resolution is intended solely to constitute approval of the issuance of the Bonds within the meaning of RCW 39.84.060. This approval shall not in any way be deemed to be a review or final approval of any development permit for the Project which may be in process, or may be submitted at a future date.

ADOPTED by the City Council of the City of Renton, Washington, this 6th day of April, 1998.

CITY OF RENTON, WASHINGTON

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
Clerk

CERTIFICATE


**13096**

I, the undersigned, City Clerk of the City of Renton (the "City"), do HEREBY CERTIFY

1. That the attached Resolution No. 3318 (herein called the "Resolution") is a true and correct copy of a resolution of the City as adopted at a meeting of the City Council of the City held on April 6, 1998 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 City Council of the City voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution 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 City this 8th day of April, 1998.

  
\_\_\_\_\_  
City Clerk,  
City of Renton, Washington

