



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

Ordinance 19154

Proposed No. 2020-0104.2

Sponsors Kohl-Welles

1 AN ORDINANCE authorizing the issuance and sale of one
 2 or more series of limited tax general obligation bonds of the
 3 county in an aggregate original principal amount not to
 4 exceed \$150,000,000 to provide financing for transit
 5 operational capacity projects, the acquisition of an office
 6 facility, the acquisition of land adjacent to the airport, the
 7 jail management system project, upgrades to the FMD asset
 8 management system, the acquisition of a building for the
 9 downtown public health clinic, and open space
 10 acquisitions, and to pay costs of issuing the bonds;
 11 providing for the disposition of the proceeds of sale of the
 12 bonds; and establishing funds for the receipt and
 13 expenditure of bond proceeds and for the payment of the
 14 bonds; providing for the annual levy of taxes to pay the
 15 principal thereof and interest thereon.

16 **PREAMBLE:**

17 The county council has either previously reviewed and approved or
 18 expects to review and approve transit operational capacity projects, the
 19 acquisition of an office facility in downtown Kent, the acquisition of land

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20 adjacent to the airport, the jail management system project, upgrades to
21 the facilities management division asset management system, the
22 acquisition of a building for the downtown public health clinic, and open
23 space acquisitions.

24 It is deemed necessary and advisable that the county now authorize the
25 issuance and sale of one or more series of its limited tax general obligation
26 bonds in an aggregate original principal amount not to exceed
27 \$150,000,000 to provide financing for those projects, and to pay costs of
28 issuing the bonds.

29 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

30 SECTION 1. Definitions. The following words and terms as used in this
31 ordinance have the following meanings for all purposes of this ordinance, unless some
32 other meaning is plainly intended:

33 "Bond Account" means, with respect to each Series of Bonds, the bond
34 redemption account established therefor pursuant to section 14 of this ordinance.

35 "Bonds" means the limited tax general obligation bonds of the county in an
36 aggregate original principal amount not to exceed \$150,000,000, authorized to be issued
37 in one or more Series by this ordinance to provide financing for one or more of the
38 Projects and to pay costs of issuing the Bonds. Each Series of Bonds may be issued as
39 Tax-Exempt Bonds or Taxable Bonds, as provided in section 10 of this ordinance.

40 "Code" means the Internal Revenue Code of 1986, as in effect on the date of
41 issuance of the Tax-Exempt Bonds or (except as otherwise referenced herein) as it may
42 be amended to apply to obligations issued on the date of issuance of the Tax-Exempt

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43 Bonds, together with applicable proposed, temporary and final regulations promulgated,
44 and applicable official public guidance published, under the Code.

45 "Conservation Futures Land Acquisition Projects" means the acquisition of open
46 spaces.

47 "Downtown Public Health Clinic Project" means the acquisition of a building for
48 the Downtown Public Health Clinic.

49 "DTC" means The Depository Trust Company, New York, New York.

50 "Fair Market Value" means the price at which a willing buyer would purchase an
51 investment from a willing seller in a bona fide, arm's-length transaction, except for
52 specified investments as described in Treasury Regulations §1.148-5(d)(6), including
53 United States Treasury Obligations, certificates of deposit, guaranteed investment
54 contracts, and investments for yield-restricted defeasance escrows. Fair Market Value is
55 generally determined on the date on which a contract to purchase or sell an investment
56 becomes binding, and, to the extent required by the applicable regulations under the
57 Code, the term "investment" will include a hedge.

58 "Federal Tax Certificate" means the certificate executed by the Finance Director
59 setting forth the requirements of the Code for maintaining the tax status of the Tax-
60 Exempt Bonds, and attachments thereto.

61 "Finance Director" means the director of the finance and business operations
62 division of the department of executive services of the county or any other county officer
63 who succeeds to the duties now delegated to that office or the designee of such officer.

64 "FMD Asset Management System Upgrade Project" means upgrades to the FMD
65 asset management system.

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66 "Forge Site Acquisition Project" means the acquisition of a site adjacent to the
67 King County International Airport.

68 "Government Obligations" means "government obligations," as defined in chapter
69 39.53 RCW, as now in existence or as may be amended from time to time.

70 "Jail Management System Project" means the acquisition and implementation of
71 an integrated Jail Management System to replace the current legacy system and several
72 separate side systems.

73 "Kent Building Acquisition Project" means the acquisition of an office facility in
74 downtown Kent.

75 "Letter of Representations" means the Blanket Issuer Letter of Representations,
76 dated May 1, 1995, from the county to DTC.

77 "Official Notice of Bond Sale" means, with respect to each Series of Bonds sold
78 by competitive bid, the official notice of sale therefor prepared pursuant to section 10 of
79 this ordinance.

80 "Projects" means, collectively, the Conservation Futures Land Acquisition
81 Project, FMD Asset Management System Upgrade Project, Transit Operational Capacity
82 Project, Kent Building Acquisition Project, Forge Site Acquisition Project, Jail
83 Management System Project, and Downtown Public Health Clinic Project.

84 "Record Date" means, for an interest or principal payment date or for a maturity
85 date, the 15th day of the calendar month next preceding that date.

86 "Register" means the registration books maintained by the Registrar for purposes
87 of identifying ownership of the Bonds.

88 "Registrar" means, except as set forth in the Sale Motion, the fiscal agent of the

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89 State appointed from time to time by the Washington State Finance Committee pursuant
90 to chapter 43.80 RCW, serving as the registrar, authenticating agent, paying agent and
91 transfer agent for the Bonds.

92 "Rule" means Securities and Exchange Commission Rule 15c2-12 under the
93 Securities and Exchange Act of 1934, as the same may be amended from time to time.

94 "Sale Motion" means a motion of the county council adopted at the time of sale of
95 each Series of Bonds that ratifies and establishes the terms for that Series of Bonds.

96 "Series" or "Series of Bonds" means a series of Bonds issued pursuant to this
97 ordinance.

98 "State" means the State of Washington.

99 "Taxable Bonds" means the Bonds of any Series determined to be issued on a
100 taxable basis pursuant to section 10 of this ordinance.

101 "Tax-Exempt Bonds" means the Bonds of any Series determined to be issued on a
102 tax-exempt or tax-advantaged basis pursuant to section 10 of this ordinance.

103 "Transit Operational Capacity Project" means the various projects to expand
104 transit operational capacity.

105 SECTION 2. Findings. The county council hereby makes the following
106 findings:

107 A. The Projects will contribute to the health, safety and welfare of the
108 citizens of the county.

109 B. The issuance of limited tax general obligation bonds of the county,
110 payable from regular property taxes or other revenues and money of the county legally
111 available for such purposes, to provide financing for the Projects and to pay costs of

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112 issuing the bonds will reduce the overall costs of borrowing such funds and is in the best
113 interests of the county and its citizens.

114 SECTION 3. Authorization of the Projects. The county council has previously
115 reviewed and approved or expects to review and approve the undertaking of the Projects.
116 The Projects shall also include (a) capitalized interest, interest on interim financing for
117 such Projects pending receipt of Bond proceeds and costs and expenses incurred in
118 issuing the Bonds; (b) the capitalizable costs of sales tax, acquisition and contingency
119 allowances, financing and any and all surveys, explorations, engineering and architectural
120 studies, drawings, designs and specifications incidental, necessary or convenient to the
121 implementation of the Projects; and (c) the purchase of all materials, supplies, appliances,
122 equipment and facilities, and the permits, franchises, property and property rights and
123 capitalizable administrative costs, incidental, necessary or convenient to the
124 implementation of the Projects.

125 Any of the Projects may be modified where deemed advisable or necessary in the
126 judgment of the county council, and implementation or completion of any component
127 thereof will not be required if the county council determines that it has become
128 inadvisable or impractical. If all components of the Projects have been completed, their
129 completion has been duly provided for or completion of all or any of them is found to be
130 inadvisable or impractical, the county may pay, redeem or defease Bonds, or apply any
131 remaining proceeds of the Bonds, or any portion thereof, to the acquisition or
132 improvement of other county capital projects as the county council may determine. In
133 the event that the proceeds of the sale of the Bonds, plus any other money of the county
134 legally available therefor, are insufficient to accomplish all of the Projects, the county

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135 shall use the available funds to finance those components of the Projects deemed by the
136 county council to be most necessary and in the best interest of the county.

137 SECTION 4. Purpose, Authorization and Description of Bonds.

138 A. Purpose and Authorization of Bonds. The county authorizes the issuance
139 of the Bonds to provide financing for the Projects and to pay costs of issuing the Bonds.

140 B. Description of Bonds. The Bonds may be issued in one or more Series so
141 long as the aggregate original principal amount of all Series of Bonds does not exceed
142 \$150,000,000. Each Series of Bonds will be designated "King County, Washington,
143 Limited Tax General Obligation Bonds," with the year and any applicable Series
144 designation, all as established by the related Sale Motion. Each Series of Bonds will be
145 dated as of such date, will mature on the date or dates in each of the years and in the
146 principal amounts, will bear interest (computed, except as set forth in the Sale Motion, on
147 the basis of a 360-day year of twelve 30-day months) from their date or the most recent
148 interest payment date to which interest has been paid or duly provided for, whichever is
149 later, at the rates and payable on such dates, will be subject to redemption and/or
150 purchase prior to maturity in the amounts, in the manner and at the prices and will be
151 subject to such other terms and provisions as the county council will establish by the
152 related Sale Motion. Each Series of Bonds will be fully registered as to both principal
153 and interest, will be in one denomination or in the denomination of \$5,000 each or any
154 integral multiple thereof (but no Bond shall represent more than one maturity within a
155 Series) and will be numbered separately in such manner and with any additional
156 designation as the Registrar deems necessary for purposes of identification.

157 C. Initial Immobilization of Bonds; Depository Provisions. Except as

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158 otherwise provided in the Sale Motion, the Bonds of each Series will initially be held in
159 fully immobilized form by DTC acting as depository pursuant to the terms and conditions
160 set forth in the Letter of Representations. Neither the county nor the Registrar will have
161 any responsibility or obligation to DTC participants or the persons for whom they act as
162 nominees with respect to such Bonds with respect to the accuracy of any records
163 maintained by DTC or any DTC participant, the payment by DTC or any DTC participant
164 of any principal or redemption price of or interest on such Bonds, any notice that is
165 permitted or required to be given to registered owners under this ordinance (except such
166 notice as is required to be given by the county to the Registrar or to DTC), the selection
167 by DTC or any DTC participant of any person to receive payment in the event of a partial
168 redemption of such Bonds or any consent given or other action taken by DTC as
169 registered owner of such Bonds.

170 The Bonds of each Series will initially be issued in denominations equal to the
171 aggregate principal amount of each maturity and, except as set forth in the Sale Motion,
172 will initially be registered in the name of Cede & Co., as the nominee of DTC. Such
173 Bonds so registered will be held in fully immobilized form by DTC as depository. For so
174 long as any such Bonds are held in fully immobilized form, DTC, its successor or any
175 substitute depository appointed by the county, as applicable, will be deemed to be the
176 registered owner for all purposes hereunder and all references to registered owners,
177 bondowners, bondholders or owners will mean DTC or its nominees and will not mean
178 the owners of any beneficial interests in the Bonds. Registered ownership of such Bonds,
179 or any portions thereof, may not thereafter be transferred except:

180 1 To any successor of DTC or its nominee, if that successor will be

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181 qualified under any applicable laws to provide the services proposed to be provided by it;

182 2 To any substitute depository appointed by the county pursuant to
183 this subsection or such substitute depository's successor; or

184 3 To any person as provided in this ordinance if such Bonds are no
185 longer held in immobilized form.

186 Upon the resignation of DTC or its successor (or any substitute depository or its
187 successor) from its functions as depository, or a determination by the county that it is no
188 longer in the best interests of beneficial owners of such Bonds to continue the system of
189 book-entry transfers through DTC or its successor (or any substitute depository or its
190 successor), the county may appoint a substitute depository. Any such substitute
191 depository will be qualified under any applicable laws to provide the services proposed to
192 be provided by it.

193 In the case of any transfer pursuant to clause (1) or (2) of the second paragraph of
194 this subsection, the Registrar, upon receipt of all outstanding Bonds of such Series
195 together with a written request on behalf of the county, will issue a single new Bond
196 certificate for each maturity of Bonds of such Series then outstanding, registered in the
197 name of such successor or such substitute depository, or its nominees, as the case may be,
198 all as specified in such written request of the county.

199 In the event that DTC or its successor (or substitute depository or its successor)
200 resigns from its functions as depository and no substitute depository can be obtained, or
201 the county determines that it is in the best interests of the beneficial owners of the Bonds
202 of any Series that they be able to obtain Bond certificates, the ownership of such Bonds
203 may be transferred to any person as provided in this ordinance and such Bonds will no

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204 longer be held in fully immobilized form. The county will deliver a written request to the
205 Registrar, together with a supply of physical Bonds of such Series, to issue Bonds of such
206 Series as provided in this ordinance in any authorized denomination. Upon receipt of all
207 then outstanding Bonds of any Series by the Registrar, together with a written request on
208 behalf of the county to the Registrar, new Bonds of such Series will be issued in such
209 denominations and registered in the names of such persons as are requested in such a
210 written request.

211 D. Registration, Transfer and Exchange. The county hereby adopts for the
212 Bonds the system of registration specified and approved by the Washington State Finance
213 Committee, except as set forth in the Sale Motion. The Registrar will keep, or cause to
214 be kept the Register, which will at all times be open to inspection by the county. The
215 Register will contain the name and mailing address of the owner (or nominee thereof) of
216 each Bond and the principal amount and number of Bonds held by each owner or
217 nominee. The Registrar is authorized, on behalf of the county, to authenticate and deliver
218 Bonds transferred or exchanged for other Bonds in accordance with the provisions
219 thereof and this ordinance and to carry out all of the Registrar's powers and duties under
220 this ordinance.

221 The Registrar will be responsible for its representations contained in the
222 Certificate of Authentication on the Bonds. The Registrar may become the owner of
223 Bonds with the same rights it would have if it were not the Registrar and, to the extent
224 permitted by law, may act as depository for and permit any of its officers or directors to
225 act as a member of, or in any other capacity with respect to, any committee formed to
226 protect the rights of Bond owners.

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227 Upon surrender thereof to the Registrar, the Bonds of each Series are
228 exchangeable for other Bonds of the same Series, maturity and interest rate and in the
229 same aggregate principal amount, in any authorized denomination, except as set forth in
230 the Sale Motion. Bonds may be transferred only if endorsed in the manner provided
231 thereon and surrendered to the Registrar. Upon such surrender, the Registrar will cancel
232 the surrendered Bond and will authenticate and deliver, without charge to the owner or
233 transferee therefor (other than taxes, if any, payable on account of such transfer), one or
234 more (at the option of the new registered owner) new Bonds of the same Series, maturity
235 and interest rate and in the same aggregate principal amount, in any authorized
236 denomination, naming as registered owner the person or persons listed as the assignee on
237 the assignment form appearing on the canceled and surrendered Bond, in exchange
238 therefor. The Registrar will not be obligated to transfer or exchange any Bond during the
239 period beginning at the opening of business on the Record Date for a maturity date and
240 ending at the close of business on such maturity date.

241 The county and the Registrar, each in its discretion, may deem and treat the
242 registered owner of each Bond as the absolute owner thereof for all purposes, and neither
243 the county nor the Registrar will be affected by any notice to the contrary.

244 E. Place, Manner and Medium of Payment. Both principal of and interest on
245 the Bonds will be payable in lawful money of the United States of America. For so long
246 as any outstanding Bonds are registered in the name of Cede & Co., or its registered
247 assigns, as nominee of DTC, payments of principal of and interest on such Bonds will be
248 made in immediately available funds on the date such payment is due and payable at the
249 place and in the manner provided in the operational arrangements of DTC referenced in

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250 the Letter of Representations.

251 In the event that the Bonds of any Series are no longer held in fully immobilized
252 form by DTC or its successor (or substitute depository or its successor), interest on such
253 Bonds will be paid by check or draft mailed, or by wire transfer, to the registered owners
254 of such Bonds at the addresses for such registered owners appearing on the Register on
255 the Record Date for that interest payment date, or by electronic transfer on the interest
256 payment date to an account within the United States designated by a registered owner of
257 at least \$1,000,000 in principal amount of such Bonds, except as provided in the Sale
258 Motion. The county shall not be required to make electronic transfers except to a
259 registered owner of Bonds pursuant to a request in writing received on or prior to the
260 Record Date for that interest payment date and any such electronic transfer shall be at the
261 sole expense of that registered owner. Principal of the Bonds will be payable at maturity
262 or on such dates as may be fixed for prior redemption upon presentation and surrender of
263 such Bonds by the owners to the Registrar.

264 F. Form, Execution and Authentication of Bonds. The Bonds will be
265 prepared in a form consistent with the provisions of this ordinance and State law. The
266 Bonds will be executed on behalf of the county with the manual or facsimile signatures of
267 the county executive and the clerk of the county council and will have the seal of the
268 county or a facsimile reproduction thereof impressed or printed thereon.

269 In case any officer who has executed the Bonds ceases to be an officer of the
270 county authorized to sign the Bonds before the Bonds bearing the ex-officer's signature
271 are authenticated or delivered by the Registrar or issued by the county, those Bonds may
272 nevertheless be authenticated, issued and delivered and, when authenticated, issued and

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273 delivered, will be as binding upon the county as though that person had continued to be
274 an officer of the county authorized to sign the Bonds. Any Bond also may be signed on
275 behalf of the county by any person who, on the actual date of signing of the Bond, is an
276 officer of the county authorized to sign the Bonds, although he or she did not hold the
277 required office on the date of issuance of the Bonds.

278 Only such Bonds as shall bear thereon a Certificate of Authentication
279 substantially in the following form, manually executed by an authorized representative of
280 the Registrar, will be valid or obligatory for any purpose or entitled to the benefits of this
281 ordinance: "CERTIFICATE OF AUTHENTICATION. This Bond is one of the King
282 County, Washington, Limited Tax General Obligation Bonds, [Year][, Series __],
283 described in the Bond Ordinance." Such Certificate of Authentication will be conclusive
284 evidence that the Bonds so authenticated have been duly executed, authenticated and
285 delivered hereunder and are entitled to the benefits of this ordinance.

286 SECTION 5. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond becomes
287 mutilated, the Registrar will authenticate and deliver one or more (at the option of the
288 registered owner) new Bonds of the same Series, maturity and interest rate and for the
289 same aggregate principal amount, in any authorized denomination, in exchange and
290 substitution therefor, upon the owner's paying the expenses and charges of the county and
291 the Registrar in connection therewith and upon surrender to the Registrar of the mutilated
292 Bond. Every mutilated Bond so surrendered will be canceled and destroyed by the
293 Registrar.

294 If any Bond is lost, stolen or destroyed, the Registrar may authenticate and deliver
295 one or more (at the option of the registered owner) new Bonds of the same Series,

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296 maturity and interest rate and for the same aggregate principal amount, in any authorized
297 denomination, to the registered owner thereof upon the owner's paying the expenses and
298 charges of the county and the Registrar in connection therewith, upon the owner's filing
299 with the Registrar evidence satisfactory to the Registrar that such Bond was actually lost,
300 stolen or destroyed and of his or her ownership thereof, and upon furnishing the county
301 and the Registrar with indemnity satisfactory to the Finance Director and the Registrar.

302 SECTION 6. Pledge of Taxation and Credit. The county hereby irrevocably
303 covenants and agrees that, for as long as any of the Bonds are outstanding and unpaid,
304 each year it will include in its budget and levy an *ad valorem* tax upon all the property
305 within the county subject to taxation in an amount that will be sufficient, together with all
306 other revenues and money of the county legally available for such purposes, to pay the
307 principal of and interest on the Bonds as the same shall become due.

308 The county hereby irrevocably pledges that the annual tax provided for in this
309 ordinance to be levied for the payment of such principal and interest will be within and as
310 a part of the tax levy permitted to counties without a vote of the people and that a
311 sufficient portion of the taxes to be levied and collected annually by the county prior to
312 the full payment of the principal of and interest on the Bonds will be and is hereby
313 irrevocably set aside, pledged and appropriated for the payment of the principal of and
314 interest on the Bonds.

315 The full faith, credit and resources of the county are hereby irrevocably pledged
316 for the annual levy and collection of said taxes and for the prompt payment of the
317 principal of and interest on the Bonds as the same will become due.

318 SECTION 7. General Covenants and Warranties. The county makes the

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319 following covenants with and warranties to the owners of the Bonds:

320 A. The county has full legal right, power and authority to adopt this
321 ordinance, to sell, issue and deliver each Series of Bonds as provided in this ordinance
322 and to carry out and consummate all other transactions contemplated by this ordinance.

323 B. By all necessary official action prior to or concurrently herewith, the
324 county has duly authorized and approved the execution and delivery of, and the
325 performance by the county of its obligations contained in, the Bonds and this ordinance
326 and the consummation by it of all other transactions necessary to effectuate this
327 ordinance in connection with the issuance of each Series of Bonds, and such
328 authorizations and approvals are in full force and effect and have not been amended,
329 modified or supplemented in any material respect.

330 C. This ordinance constitutes a legal, valid and binding obligation of the
331 county.

332 D. When issued, sold, authenticated and delivered, each Series of Bonds will
333 constitute legal, valid and binding general obligations of the county.

334 E. The enactment of this ordinance, and compliance on the county's part with
335 the provisions contained in this ordinance, will not conflict with, constitute a breach of or
336 constitute a default under any constitutional provisions, law, administrative regulation,
337 judgment, decree, loan agreement, indenture, bond, note, resolution, ordinance, motion,
338 agreement or other instrument to which the county is a party or to which the county or
339 any of its property or assets are otherwise subject.

340 F. Each Series of Bonds will be issued within all statutory and constitutional
341 debt limitations applicable to the county.

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342 SECTION 8. Federal Tax Law Covenants. The county will take all actions
343 necessary to assure the tax-advantaged status on the Tax-Exempt Bonds, or the exclusion
344 of interest on the Tax-Exempt Bonds from the gross income of the owners of the Tax-
345 Exempt Bonds to the same extent as such interest is permitted to be excluded from gross
346 income under the Code as in effect on the date of issuance of the Tax-Exempt Bonds, as
347 set forth in the Federal Tax Certificate, including but not limited to the following to the
348 extent applicable:

349 A. The county will assure that the proceeds of the Tax-Exempt Bonds are not
350 so used as to cause the Tax-Exempt Bonds issued as governmental bonds to satisfy the
351 private business tests of Section 141(b) of the Code or the private loan financing test of
352 Section 141(c) of the Code or to cause any other Tax-Exempt Bonds to fail to qualify as
353 exempt private activity bonds.

354 B. The county will not sell or otherwise transfer or dispose of (i) any personal
355 components of the projects refinanced with proceeds of the Tax-Exempt Bonds (the
356 "Tax-Exempt Projects") other than in the ordinary course of an established government
357 program under Treasury Regulation Section 1.141-2(d)(4) or (ii) any real property
358 components of the Tax-Exempt Projects, unless it has received an opinion of nationally
359 recognized bond counsel to the effect that such disposition will not adversely affect the
360 treatment of interest on the Tax-Exempt Bonds as excludable from gross income for
361 federal income tax purposes.

362 C. The county will not take any action or permit or suffer any action to be
363 taken if the result of such action would be to cause any of the Tax-Exempt Bonds to be
364 "federally guaranteed" within the meaning of Section 149(b) of the Code.

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365 D. The county will take any and all actions necessary to assure compliance
366 with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if
367 any, to the federal government.

368 E. The county will not take, or permit or suffer to be taken, any action with
369 respect to the proceeds of the Tax-Exempt Bonds issued as governmental bonds, which if
370 such action had been reasonably expected to have been taken, or had been deliberately
371 and intentionally taken, on the date of issuance of the Tax-Exempt Bonds would have
372 caused the Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148
373 of the Code.

374 F. The county will maintain a system for recording the ownership of each
375 Tax-Exempt Bond that complies with the provisions of Section 149 of the Code until all
376 Tax-Exempt Bonds have been surrendered and canceled.

377 G. The county will retain its records of all accounting and monitoring it
378 carries out with respect to the Tax-Exempt Bonds for at least three years after the Tax-
379 Exempt Bonds mature or are redeemed (whichever is earlier); however, if the Tax-
380 Exempt Bonds are redeemed and refunded, the county will retain its records of
381 accounting and monitoring at least three years after the earlier of the maturity or
382 redemption of the obligations that refunded the Tax-Exempt Bonds.

383 H. In the event the county issues one or more series of Tax-Exempt Bonds as
384 tax-advantaged bonds eligible for federal tax credits, a federal interest subsidy, or other
385 subsidy, the county will comply with the provisions of the Federal Tax Certificate setting
386 forth or incorporating applicable requirements.

387 I. The county will comply with the provisions of the Federal Tax Certificate

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388 with respect to the Tax-Exempt Bonds, which are incorporated herein as if fully set forth
389 herein. The covenants of this section will survive payment in full or defeasance of the
390 Tax-Exempt Bonds.

391 SECTION 9. Refunding or Defeasance of Bonds. The county may issue
392 refunding obligations pursuant to the laws of the State or use money available from any
393 other lawful source to pay when due the principal of, premium, if any, and interest on the
394 Bonds of any Series, or any portion thereof included in a refunding or defeasance plan
395 and to redeem and retire, refund or defease all or a portion of such then-outstanding
396 Bonds of such Series (hereinafter collectively called the "Defeased Bonds"), and to pay
397 the costs of the refunding or defeasance.

398 If money and/or noncallable Government Obligations maturing at such time or
399 times and bearing interest to be earned thereon in amounts (together with such money, if
400 necessary) sufficient to redeem and retire, refund or defease the Defeased Bonds in
401 accordance with their terms are set aside in a special trust or escrow fund or account
402 irrevocably pledged to that redemption, retirement or defeasance of Defeased Bonds
403 (hereinafter called the "trust account"), then the Defeased Bonds will be deemed not to be
404 outstanding hereunder, no further payments need be made into the related Bond Account
405 for the payment of the principal of and interest on the Defeased Bonds and the Owners of
406 the Defeased Bonds will cease to be entitled to any covenant, pledge, benefit or security
407 of this ordinance. The owners of Defeased Bonds will have the right to receive payment
408 of the principal of, premium, if any, and interest on the Defeased Bonds from the trust
409 account.

410 The county will provide or cause to be provided notice of defeasance of such

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411 Bonds to the Municipal Securities Rulemaking Board in accordance with the undertaking
412 for ongoing disclosure to be adopted pursuant to section 12 of this ordinance.

413 SECTION 10. Sale of Bonds. The county hereby authorizes the sale of the
414 Bonds. The Finance Director is authorized to proceed with the sale of the Bonds pursuant
415 to subsection A., B. or C. of this section to finance costs of any Project that has been
416 approved by the county council or will have been approved by the county council prior to
417 the sale date for such Bonds. The Bonds will be sold in one or more Series, any of which
418 may be sold in a combined offering with other bonds and/or notes of the county, at the
419 option of the Finance Director. The Finance Director will determine, in consultation with
420 the county's financial advisors, whether each Series of Bonds will be sold by competitive
421 bid, negotiated sale or otherwise, whether such Series of Bonds will be issued and sold as
422 Tax-Exempt Bonds or Taxable Bonds, and whether any Series of Bonds will be issued
423 and sold as a single issue for tax purposes with bonds issued pursuant to Ordinance
424 18960 adopted on July 17, 2019 to pay costs of the solid waste capital program.

425 A. Competitive Bid. If the Finance Director determines that any Series of
426 Bonds will be sold by competitive bid, bids for the purchase of such Series of Bonds will
427 be received at such time and place and by such means as the Finance Director will direct.
428 The Finance Director is authorized to prepare an Official Notice of Bond Sale for each
429 Series of Bonds to be sold pursuant to competitive bid, which notice will be filed with the
430 clerk of the county council and will be ratified and confirmed by the Sale Motion
431 therefor. The Official Notice of Bond Sale will specify whether the Bonds of such Series
432 are being issued and sold as Tax-Exempt Bonds or Taxable Bonds, whether any Series
433 will be designated as "green bonds," and will identify the year and any applicable Series

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434 designation, date, principal amounts and maturity dates, interest payment dates,
435 redemption and/or purchase provisions and delivery date for such Series of Bonds.

436 Upon the date and time established for the receipt of bids for such Series of
437 Bonds, the Finance Director or the Finance Director's designee will review the bids
438 received, will cause the bids to be mathematically verified and will report to the county
439 council regarding the bids received. Such bids will then be considered and acted upon by
440 the county council in an open public meeting. The county council reserves the right to
441 reject any and all bids for such Series of Bonds. Alternatively, the county council will,
442 by Sale Motion, accept the winning bid for the purchase of such Series of Bonds and will
443 also ratify and establish the year and any applicable Series designation, date, principal
444 amounts and maturity dates, interest rates and interest payment dates, redemption and/or
445 purchase provisions and delivery date for such Series of Bonds.

446 B. Negotiated Sale. If the Finance Director determines that any Series of
447 Bonds will be sold by negotiated sale, the Finance Director will, in accordance with
448 applicable county procurement procedures, solicit one or more underwriting firms with
449 which to negotiate the sale of such Bonds. The bond purchase contract for such Series of
450 Bonds will specify whether the Bonds of such Series are being issued and sold as Tax-
451 Exempt Bonds or Taxable Bonds, whether any Series of Bonds are designed as "green
452 bonds," and will also identify the year and any applicable Series designation, date,
453 principal amounts and maturity dates, interest rates and interest payment dates,
454 redemption and/or purchase provisions and delivery date for such Series of Bonds. The
455 county council, by Sale Motion, will approve the bond purchase contract and ratify and
456 establish the terms for such Series of Bonds identified in such bond purchase contract.

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457 C. Other Sales. If the Finance Director determines that any Series of Bonds
458 will be sold to the federal government or other purchaser to evidence a loan from that
459 purchaser, the Finance Director will negotiate the sale of such Bonds and the terms of any
460 loan or other agreement with the purchaser. The loan agreement or other agreement for
461 such Series of Bonds will specify whether the Bonds of such Series are being issued and
462 sold as Tax-Exempt Bonds or Taxable Bonds, whether any Series of Bonds are designed
463 as "green bonds," and will also identify the year and any applicable Series designation,
464 date, principal amounts and maturity dates, interest rates and interest payment dates,
465 redemption and/or purchase provisions and delivery date for such Series of Bonds. The
466 county council, by Sale Motion, will approve the loan or other agreement and ratify and
467 establish the terms for such Series of Bonds identified in such loan or other agreement.

468 SECTION 11. Preliminary Official Statement and Final Official Statement. The
469 county hereby authorizes and directs the Finance Director: (i) to review and approve the
470 information contained in any preliminary official statement (each, a "Preliminary Official
471 Statement") prepared in connection with the sale of each Series of Bonds; and (ii) for the
472 sole purpose of compliance by the purchasers of such Series of Bonds with subsection
473 (b)(1) of the Rule, to "deem final" the related Preliminary Official Statement as of its
474 date, except for such omissions as are permitted under the Rule. After each Preliminary
475 Official Statement has been reviewed and approved in accordance with the provisions of
476 this section, the county hereby authorizes the distribution of such Preliminary Official
477 Statement to prospective purchasers of such related Series of Bonds.

478 Following the sale of each Series of Bonds, the Finance Director is hereby
479 authorized to review and approve on behalf of the county a final official statement with

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480 respect to such Series of Bonds. The county agrees to cooperate with the successful
481 bidder for each Series of Bonds to deliver or cause to be delivered, within seven business
482 days from the date of the Sale Motion, and in sufficient time to accompany any
483 confirmation that requests payment from any customer of such successful bidder, copies
484 of a final official statement pertaining to such Series of Bonds in sufficient quantity to
485 allow compliance with paragraph (b)(4) of the Rule and the rules of the Municipal
486 Securities Rulemaking Board.

487 SECTION 12. Undertaking to Provide Ongoing Disclosure. The county council
488 will undertake to provide ongoing disclosure with respect to each Series of Bonds, as
489 required by subsection (b)(5) of the Rule, in the Sale Motion therefor.

490 SECTION 13. Delivery of Bonds. Following the sale of each Series of Bonds, the
491 county shall cause definitive Bonds of such Series to be prepared, executed and delivered
492 to the purchaser thereof in accordance with the provisions of this ordinance.

493 If definitive Bonds of any Series are not ready for delivery by the date established
494 for their delivery to the initial purchaser, then the Finance Director, upon the approval of
495 the purchaser, may cause to be issued and delivered to the purchaser one or more
496 temporary Bonds of the same Series with appropriate omissions, changes and additions.
497 Any temporary Bond or Bonds shall be entitled and subject to the same benefits and
498 provisions of this ordinance with respect to the payment, security and obligation thereof
499 as definitive Bonds authorized thereby. Such temporary Bond or Bonds shall be
500 exchangeable without cost to the owners thereof for definitive Bonds of the same Series
501 when the latter are ready for delivery.

502 SECTION 14. Bond Accounts. There has heretofore been created in the office of

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503 the Finance Director a special fund known as the "King County Limited Tax General
504 Obligation Bond Redemption Fund" to be drawn upon for the purpose of paying the
505 principal of and interest on the limited tax general obligation bonds of the county. There
506 is hereby authorized to be created within said fund a special account for each Series of
507 Bonds to be known as the "Limited Tax General Obligation Bond Redemption Account,
508 [Year][, Series ___]" (each, a "Bond Account").

509 Any accrued interest on any Series of Bonds will be deposited in the related Bond
510 Account at the time of delivery of such Series of Bonds and will be applied to the
511 payment of interest thereon.

512 The taxes hereafter levied for the purpose of paying principal of and interest on
513 each Series of Bonds and other funds to be used to pay such Series of Bonds will be
514 deposited in the related Bond Account no later than the date such funds are required for
515 the payment of principal of and interest on such Series of Bonds; provided, however, that
516 if the payment of principal of and interest on any Series of Bonds is required prior to the
517 receipt of such levied taxes, the county may make an interfund loan to the related Bond
518 Account pending actual receipt of such taxes. Each Bond Account will be drawn upon
519 for the purpose of paying the principal of and interest on the related Series of Bonds.
520 Each Bond Account will be a second tier fund in accordance with Ordinance 7112 and
521 K.C.C. chapter 4.10.

522 SECTION 15. Deposit of Bond Proceeds.

523 A. There is hereby created the "2020 G.O. Bonds Facilities Subfund" within
524 the FMD Building Repair/Replacement Fund (3951). This subfund will be a first tier fund
525 managed by the director of the facilities management division of the department of

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526 executive services of the county, or any successor to the functions thereof. The exact
527 amount of proceeds from the sale of any Series of Bonds to be deposited into the 2020
528 G.O. Bonds Facilities Subfund to provide long-term financing for all or part of the capital
529 costs of the Kent Building Acquisition Project, the Forge Site Acquisition Project, the
530 FMD Asset Management System Upgrade Project, and the Downtown Public Health
531 Clinic Project shall be determined by the Finance Director upon the sale of such Series of
532 Bonds.

533 B. There is hereby created the "2020 G.O. Bonds Conservation Subfund"
534 within the Conservation Futures Fund (3151). This subfund will be a first tier fund
535 managed by the water and land division of the department of parks and natural resources
536 of the county, or any successor to the functions thereof. The exact amount of proceeds
537 from the sale of any Series of Bonds to be deposited into the 2020 G.O. Bonds
538 Conservation Subfund to provide long-term financing for all or part of the capital costs of
539 the Conservation Futures Land Acquisition Projects shall be determined by the Finance
540 Director upon the sale of such Series of Bonds.

541 C. There is hereby created the "2020 G.O. Bonds [KCIT] Subfund" within
542 the Office of Information Resource Management Capital Projects Fund (3771). This
543 subfund will be a first tier fund managed by director of the department of information
544 technology of the county, or any successor to the functions thereof. The exact amount of
545 proceeds from the sale of any Series of Bonds to be deposited into the 2020 G.O. Bonds
546 [KCIT] Subfund to provide long-term financing for all or part of the capital costs of the
547 Jail Management System Project shall be determined by the Finance Director upon the
548 sale of such Series of Bonds.

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549 D. There is hereby created the "2020 G.O. Bonds Public Transportation
550 Construction Subfund" within the Public Transportation Construction Fund (3641). This
551 subfund will be a first tier fund managed by the director of the metro transit department
552 of the county, or any successor to the functions thereof. The exact amount of proceeds
553 from the sale of any Series of Bonds to be deposited into the 2020 G.O. Bonds Public
554 Transportation Construction Subfund to provide long-term financing for all or part of the
555 capital costs of the Transit Operational Capacity Project shall be determined by the
556 Finance Director upon the sale of such Series of Bonds.

557 SECTION 16. Investment of and Accounting for Bond Proceeds. Funds
558 deposited in the funds and accounts described in sections 14 and 15 of this ordinance will
559 be invested as permitted by law for the sole benefit of such funds and accounts.
560 Irrespective of the general provisions of Ordinance 7112 and K.C.C. chapter 4.10, the
561 county current expense fund will not receive any earnings attributable to such funds and
562 accounts. Money other than proceeds of the Bonds may be deposited in the funds and
563 accounts described in sections 14 and 15 of this ordinance; provided, however, that
564 proceeds of each Series of Bonds that are issued as Tax-Exempt Bonds and the earnings
565 thereon will be accounted for separately for purposes of the arbitrage rebate computations
566 required to be made under the Code and will be acquired, valued and disposed of at Fair
567 Market Value. For purposes of such computations, Bond proceeds will be deemed to
568 have been expended first, and then any other funds.

569 SECTION 17. General Authorization. The appropriate county officials, agents
570 and representatives are hereby authorized and directed to do everything necessary for the
571 prompt sale, issuance, execution and delivery of each Series of Bonds and for the proper

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572 use and application of the proceeds of the sale thereof.

573 SECTION 18. Contract; Severability. The covenants applicable to the Bonds
574 contained in this ordinance will constitute a contract between the county and the owners
575 of each and every Bond. If any one or more of the covenants or agreements provided in
576 this ordinance to be performed on the part of the county will be declared by any court of
577 competent jurisdiction to be contrary to law, then such covenant or covenants, agreement
578 or agreements, will be null and void and will be deemed separable from the remaining

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579 covenants and agreements of this ordinance and will in no way affect the validity of the
580 other provisions of this ordinance or the Bonds.
581

Ordinance 19154 was introduced on 2/25/2020 and passed by the Metropolitan King County Council on 9/1/2020, by the following vote:

Yes: 9 - Ms. Balducci, Mr. Dembowski, Mr. Dunn, Ms. Kohl-Welles, Ms. Lambert, Mr. McDermott, Mr. Upthegrove, Mr. von Reichbauer and Mr. Zahilay

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

DocuSigned by:
Claudia Balducci
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Claudia Balducci, Chair

ATTEST:

DocuSigned by:
Angel Allende for
C267B914088E4A0...

Melani Pedroza, Clerk of the Council

APPROVED this _____ day of 9/9/2020, _____.

DocuSigned by:
Dow Constantine
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Dow Constantine, County Executive

Attachments: None