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Title: A MOTION of the county council approving a purchase contract for the county's Limited Tax General Obligation Refunding Bonds, 2013, Series B, in the aggregate principal amount of \$42,820,000, establishing certain terms of the bonds, and approving a plan to refund a portion of the bonds issued to finance the Chinook Building and related parking facility, all in accordance with Ordinance No. 17659.

Sponsors: Joe McDermott

Indexes:

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Attachments: 1. Motion 14013.pdf, 2. A. Bond Purchase Contract

Date	Ver.	Action By	Action	Result
12/9/2013	1	Metropolitan King County Council	Passed	Pass
A MOTION of the county council approving a purchase contract for the county's Limited Tax General Obligation Refunding Bonds, 2013, Series B, in the aggregate principal amount of \$42,820,000, establishing certain terms of the bonds, and approving a plan to refund a portion of the bonds issued to finance the Chinook Building and related parking facility, all in accordance with Ordinance No. 17659.				

WHEREAS, pursuant to Ordinance No. 17659 (the "Ordinance"), the county council authorized the issuance of one or more series of its limited tax general obligation bonds in an aggregate principal amount not to exceed \$100,000,000 to redeem all or a portion of the Goat Hill Properties Lease Revenue Bonds, 2005 (King County, Washington, Governmental Office Building Project) (the "GHP Bonds") prior to their scheduled maturity, and to pay the costs and expenses of issuing each series of the bonds and, if applicable, costs of the Chinook Building Transfer, as defined and described in the Ordinance, and

WHEREAS, the Ordinance directed that the county's director of finance and business operations division (the "Finance Director") determine, in consultation with the county's financial advisor, whether the bonds should be sold in one or more series, the timing of the sale of each series of bonds, whether the bonds should be structured as Tax-Exempt Bonds, and whether a series of bonds should be sold by negotiated sale or competitive bid or for current or future delivery, and

WHEREAS, the Finance Director has determined that \$42,820,000 principal amount of Limited Tax General Obligation Refunding Bonds, 2013, Series B (the "2013B Bonds") should be sold by negotiated sale in a single series, structured as Tax-Exempt Bonds for current delivery, and

WHEREAS, pursuant to the Ordinance, a preliminary official statement dated November 22, 2013, was prepared and distributed for the sale of the 2013B Bonds, and the Finance Director has negotiated the sale of the 2013B Bonds to J.P. Morgan Securities LLC as the representative of itself and Siebert Brandford Shank & Co., LLC (the "Underwriters"), and

WHEREAS, it is in the best interest of the county that the 2013B Bonds be sold to the Underwriters on the terms set forth in the attached bond purchase contract, the Ordinance, and this motion, and

WHEREAS, in accordance with the Ordinance, the council wishes to ratify and confirm certain terms of the 2013B Bonds and approve a plan of refunding a portion of the GHP Bonds with the net proceeds of the 2013B Bonds, all as set forth herein;

NOW, THEREFORE, BE IT MOVED by the Council of King County:

A. Definitions. Except as expressly authorized herein, terms used in this motion have the meanings set forth in the Ordinance.

B. Approval of Purchase Contract and Authorization of Bonds. The issuance of the 2013B Bonds, designated as set forth in the recitals of this motion, and the terms and conditions thereof as set forth in the bond purchase contract attached hereto as Attachment A (the "Purchase Contract"), are hereby ratified and confirmed, and the Purchase Contract is hereby approved. The 2013B Bonds shall bear interest at the rates set

forth in the Purchase Contract and shall conform in all other respects to the terms and conditions specified in the Purchase Contract and the Ordinance. The 2013B Bonds shall be subject to redemption as set forth in the Purchase Contract.

C. Refunding and Redemption of Refunded Bonds.

1. Plan of Refunding. In accordance with Sections 13 and 16 of the Ordinance, the Finance Director has determined, in consultation with the county's financial advisor, that net proceeds of the 2013B Bonds will be used to refund a portion of the GHP Bonds (as set forth below, the "Refunded Bonds") pursuant to the plan of refunding set forth below and ratified and confirmed hereby:

Goat Hill Properties Lease Revenue Bonds, 2005
(King County, Washington, Governmental Office Building Project)

Refunded Bonds

Maturities (December 1)	Principal Amount	Interest Rates
2015	\$ 2,980,000	5.000%
2016	3,130,000	5.250
2017	3,295,000	4.000
2018	3,425,000	4.000
2019	3,560,000	4.125
2020	3,710,000	5.250
2021	3,905,000	5.000
2022	4,100,000	5.000
2023	4,305,000	5.000
2024	4,520,000	5.000
2025	4,745,000	5.000
2026	4,980,000	5.000

* Term Bonds.

The selection of U.S. Bank National Association as Escrow Agent is hereby ratified and confirmed. In accordance with Section 16.B. of the Ordinance, the Finance Director is authorized and directed to enter into an

Escrow Agreement with the Escrow Agent in a form approved by the county's bond counsel. As provided in Section 16.A. of the Ordinance, the GHP Lease Revenue Bonds Refunding Account (the "Refunding Account") and the GHP Lease Revenue Refunding Costs of Issuance Account (the "Costs of Issuance Account") will be established and maintained with the Escrow Agent.

The net proceeds of the 2013B Bonds will be deposited with the Escrow Agent as follows:

a. \$178,677.99 shall be deposited in the Costs of Issuance Account to pay the expenses and safeguarding of the Escrowed Securities and the costs and expenses incurred in the issuance of the 2013B Bonds as set forth in the Escrow Agreement. The county may, from time to time, transfer, or cause to be transferred, from the Costs of Issuance Account any money not thereafter required for the purposes set forth in this subsection C.1.a. of this motion.

b. \$48,856,190.81 shall be deposited in the Refunding Account and used, together with other funds of the county, if necessary, to purchase Government Obligations bearing such interest and maturing as to principal and interest in such amounts and at such times that, together with any initial cash balance, will be sufficient to pay the interest on the Refunded Bonds payable on and prior to December 1, 2014 and the redemption price (100% of the principal amount) of the Refunded Bonds payable on December 1, 2014. The amount deposited to the Refunding Account will be irrevocably deposited with the Escrow Agent to defease the Refunded Bonds in accordance with the indenture authorizing their issuance. The county may, from time to time, transfer, or cause to be transferred, from the Refunding Account any money not thereafter required for the purposes set forth in this subsection C.1.b. of this motion, subject to verification in writing by an independent certified public accountant that the transfer will not result in inadequate funds being available to make the required payments therefrom.

2. Redemption of Refunded Bonds. The county hereby irrevocably sets aside sufficient funds in the Refunding Account to make the payments specified in subsection C.1.b. of this motion. The county hereby directs that the Refunded Bonds be defeased and called for redemption on December 1, 2014, in

accordance with the provisions of the indenture authorizing the redemption and retirement of the Refunded Bonds prior to their fixed maturities. Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the final establishment of the Refunding Account and delivery of the requisite deposit to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to give notice of the defeasance and redemption of the Refunded Bonds in accordance with the applicable provisions of the indenture authorizing their issuance. The Finance Director is authorized and requested to provide whatever assistance is necessary to accomplish the defeasance and redemption and the giving of notices therefor. The costs of publication of the notices shall be an expense of the county. The Finance Director is further authorized to execute and deliver an amendment to the Lease, as defined and described in the Ordinance, reflecting the savings associated with the defeasance and redemption of the Refunded Bonds and addressing related matters.

The Escrow Agent is hereby authorized and directed to pay to the trustee for the Refunded Bonds sums sufficient to make, when due, the payments specified in subsection C.1.b. of this motion. All such sums shall be paid from the money deposited with the Escrow Agent in accordance with this section. All sums so paid shall be credited to the Refunding Account. All money deposited with the Escrow Agent and any income therefrom shall be held, invested and applied in accordance with the provisions of the Ordinance, the Escrow Agreement, and the laws of the State of Washington for the benefit of the county and the owners of the Refunded Bonds.

D. Findings of Saving and Defeasance. This council hereby finds and determines that the issuance and sale of the 2013B Bonds at this time will effect a savings to the county and its taxpayers. In making this finding and determination, the council has given consideration to the interest on and the fixed maturities of the 2013B Bonds and the county obligation to pay rent under the Lease with respect to the Refunded Bonds and the costs of issuance of the 2013B Bonds. The savings meet the Savings Target, as defined and described in the Ordinance.

E. Continuing Disclosure Undertaking. In accordance with Section 18 of the Ordinance, the county will enter into an undertaking for continuing disclosure for the 2013B Bonds in substantially the form described in the Official Statement for the 2013B Bonds.

F. Further Authority. The county officials and their agents, attorneys and representatives are hereby authorized and directed to do everything necessary for the prompt issuance and delivery of the 2013B Bonds, for the proper use and application of the proceeds from the sale of the 2013B Bonds, for the defeasance and refunding of the Refunded Bonds, and for an amendment to the Lease to reflect such defeasance and refunding.

G. Severability. If any provision in this motion is declared by any court of competent jurisdiction to be contrary to law, then that provision shall be null and void and shall be deemed separable from the remaining provisions of this motion and shall in no way affect the validity of the other provisions of this motion or of the 2013B Bonds.