



Legislation Details (With Text)

File #: 2004-0161 **Version:** 1
Type: Ordinance **Status:** Passed
File created: 4/5/2004 **In control:** Budget and Fiscal Management Committee
On agenda: **Final action:** 5/3/2004
Enactment date: 5/6/2004 **Enactment #:** 14890

Title: AN ORDINANCE providing for the issuance of one or more series of limited tax general obligation bonds of the county in an outstanding aggregate principal amount not to exceed \$107,500,000 to refund all or a portion of the county's Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1993 Series B and Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1996 Series A; providing for the public sale of the bonds and the disposition of the proceeds of sale; establishing funds for the receipt and expenditure of bond proceeds and for the payment of the bonds; and providing for the annual levy of taxes to pay the principal thereof and interest thereon.

Sponsors: Larry Gossett
Indexes: Bonds, Budget, Finance

Code sections:

Attachments: 1. Ordinance 14890.pdf, 2. 2004-0161 Staff Report 4-28-04, 3. 2004-0161 Transmittal Letter.doc

Date	Ver.	Action By	Action	Result
5/3/2004	1	Metropolitan King County Council	Hearing Held	
5/3/2004	1	Metropolitan King County Council	Passed	Pass
4/28/2004	1	Budget and Fiscal Management Committee		
4/5/2004	1	Metropolitan King County Council	Introduced and Referred	

Clerk 03/25/2004

AN ORDINANCE providing for the issuance of one or more series of limited tax general obligation bonds of the county in an outstanding aggregate principal amount not to exceed \$107,500,000 to refund all or a portion of the county's Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1993 Series B and Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1996 Series A; providing for the public sale of the bonds and the disposition of the proceeds of sale; establishing funds for the receipt and expenditure of bond proceeds and for the payment of the bonds; and providing

for the annual levy of taxes to pay the principal thereof and interest thereon.

PREAMBLE:

The county has previously issued its Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1993 Series B and Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1996 Series A. The county has an opportunity to refund all or a portion of those bonds, thereby realizing savings to its taxpayers.

It is deemed necessary and advisable that the county now issue and sell one or more series of its limited tax general obligation bonds in an outstanding aggregate principal amount not to exceed \$107,500,000 to undertake such refunding.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

“Arbitrage and Tax Certification” means the certificate executed by the Finance Director pertaining to the county’s expectations with respect to the use, investment and rebate, if any, of Bond proceeds for purposes of Sections 141 and 148 of the Code.

“Bond Fund” means the bond redemption account authorized to be established for each series of the Bonds pursuant to Section 13 hereof.

“Bond Register” means the registration books maintained by the Bond Registrar for purposes of identifying ownership of the Bonds.

“Bond Registrar” means the fiscal agency of the State of Washington in either Seattle, Washington, or New York, New York, for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, effecting the transfer of ownership of the Bonds and paying interest on and principal of the Bonds.

“Bonds” means the limited tax general obligation bonds of the county in an outstanding aggregate principal amount not to exceed \$107,500,000 authorized to be issued by this ordinance to refund all or a portion

of the 1993B Bonds and the 1996A Bonds, and to pay the costs of issuing such bonds.

“Code” means the federal Internal Revenue Code of 1986, as amended, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department or the Internal Revenue Service, to the extent applicable to the Bonds.

“Commission” means the Securities and Exchange Commission.

“DTC” means The Depository Trust Company, New York, New York.

“Escrow Trustee” means the corporate trustee chosen to serve as such pursuant to Section 11 hereof.

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

“Government Obligations” means “government obligations,” as defined in Chapter 39.53 RCW, as now in existence or hereafter amended.

“MSRB” means the Municipal Securities Rulemaking Board or any successor to its functions.

“1993B Bonds” means the King County, Washington, Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1993 Series B.

“1996A Bonds” means the King County, Washington, Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1996 Series A.

“NRMSIR” means a nationally recognized municipal securities information repository.

“Rebate Amount” means the amount, if any, determined to be payable with respect to the Bonds by the county to the United States of America in accordance with Section 148(f) of the Code.

“Refunded Bonds” means, collectively, the Refunded 1993B Bonds and the Refunded 1996A Bonds.

“Refunded 1993B Bond Redemption Date” means, with respect to each series of Bonds, each redemption date for the outstanding 1993B Bonds to be refunded thereby, as identified or ratified in the Sale

Motion therefor.

“Refunded 1993B Bonds” means, with respect to each series of Bonds, the portion of the outstanding 1993B Bonds to be refunded thereby, as identified or ratified in the Sale Motion therefor.

“Refunded 1996A Bond Redemption Date” means, with respect to each series of Bonds, each redemption date for the outstanding 1996A Bonds to be refunded thereby, as identified or ratified in the Sale Motion therefor.

“Refunded 1996A Bonds” means, with respect to each series of Bonds, the portion of the outstanding 1996A Bonds to be refunded thereby, as identified or ratified in the Sale Motion therefor.

“Rule” means the Commission’s Rule 15c2-12 under the Securities and Exchange Act of 1934, as the same may be amended from time to time.

“Sale Motion” means, with respect to each series of the Bonds, the motion of the council identifying (if such series of Bonds is sold by competitive bid) or ratifying (if such series of Bonds is sold by negotiated sale) the Refunded Bonds to be refunded by such series of Bonds, their respective redemption dates and the Government Obligations to be purchased to undertake such refunding, ratifying and confirming the year and series designation, date, principal amounts and maturity dates, interest rates and interest payment dates, redemption provisions of the Bonds, and approving the bond purchase contract (if the Bonds are sold by negotiated sale) or accepting a bid (if the Bonds are sold by competitive bid) for the purchase of the Bonds, all in accordance with Section 17 hereof.

“SID” means a state information depository for the State of Washington (if one is created).

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

A. Significant debt service savings can be realized by the county through the refunding of all or a portion of the 1993B Bonds and the 1996A Bonds and.

B. The issuance of limited tax general obligation bonds payable from regular property taxes to provide funds to refund all or a portion of the 1993B Bonds and the 1996A Bonds, and to pay the costs of issuing such

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

SECTION 3. Purpose, Authorization and Description of Bonds; Use of Depository.

A. Purpose and Authorization of Bonds. The county authorizes the issuance of the Bonds to refund all or a portion of the 1993B Bonds and the 1996A Bonds, and to pay the costs of issuing the Bonds.

B. Description. The Bonds may be issued in one or more series in an aggregate principal amount not to exceed \$107,500,000. Each series of the Bonds shall be designated “King County, Washington, Limited Tax General Obligation Refunding Bonds,” with an applicable year and series designation established as provided in Section 17 hereof. Each series of Bonds shall be fully registered as to both principal and interest, shall be in the denomination of \$5,000 each or any integral multiple thereof (but no Bond shall represent more than one maturity), shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification, and shall be dated as of such date and shall mature on the dates, in the years and the amounts established as provided in Section 17 hereof.

The Bonds shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their date or from the most recent interest payment date for which interest has been paid or duly provided for, whichever is later, payable at the rate or rates and on semiannual interest payment dates to be established as provided in Section 17 hereof.

C. Initial Immobilization of Bonds; Depository Provisions. The Bonds of each series initially shall be held in fully immobilized form by DTC acting as depository pursuant to the terms and conditions set forth in the Blanket Issuer Letter of Representations heretofore executed on behalf of the county. Neither the county nor the Bond Registrar shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to such Bonds with respect to the accuracy of any records maintained by DTC or any DTC participant, the payment by DTC or any DTC participant of any amount in respect of principal or redemption price or interest on such Bonds, any notice that is permitted or required to be given to

Registered Owners under this ordinance (except such notice as is required to be given by the county to the Bond Registrar or to DTC), the selection by DTC or any DTC participant of any person to receive payment in the event of a partial redemption of such Bonds or any consent given or other action taken by DTC as owner of such Bonds.

The Bonds of each series initially shall be issued in denominations equal to the aggregate principal amount of each maturity and initially shall be registered in the name of CEDE & Co., as the nominee of DTC. The Bonds so registered shall be held in fully immobilized form by DTC as depository. For so long as any such Bonds are held in fully immobilized form, DTC, its successor or any substitute depository appointed by the county, as applicable, shall be deemed to be the Registered Owner for all purposes hereunder and all references to Registered Owners, bondowners, bondholders, owners or the like shall mean DTC or its nominees and shall not mean the owners of any beneficial interests in the Bonds. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

- (1) To any successor of DTC or its nominee, if that successor shall be qualified under any applicable laws to provide the services proposed to be provided by it;
- (2) To any substitute depository appointed by the county pursuant to this subsection or such substitute depository's successor; or
- (3) To any person as herein provided if such Bonds are no longer held in immobilized form.

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

In the case of any transfer pursuant to clause (1) or (2) of the second paragraph of this subsection, the Bond Registrar, upon receipt of all outstanding Bonds of such series together with a written request on behalf of

the county, shall issue a single new Bond certificate for each maturity of Bonds of such series then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the county.

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

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

In the event that the Bonds of any series are no longer held in fully immobilized form by DTC or its successor (or substitute depository or its successor), interest on such Bonds shall be paid by checks or drafts mailed, or by wire transfer, to the owners of such Bonds at the addresses for such owners appearing on the Bond Register on the 15th day of the calendar month preceding the interest payment date. Wire transfer will be made only if so requested in writing and if the owner owns at least \$1,10