



Legislation Text

File #: 2007-0441, Version: 2

Clerk 08/29/2007

AN ORDINANCE approving the issuance of bonds in an aggregate amount not to exceed \$35,000,000.00 by the Colorado Educational and Cultural Facilities Authority for the Northwest University Project.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Findings:

A. Northwest University, a Washington nonprofit corporation located at 5520 108th Ave NE, Kirkland, WA 98033 (the "Corporation") has requested the Colorado Educational and Cultural Facilities Authority (the "Issuer") to issue its Adjustable Rate Demand Revenue Bonds, Series 2007 (Northwest University Project), in the aggregate principal amount of approximately \$35,000,000 (the "Bonds").

B. The proceeds of the Bonds will be used for the purposes of:

1. Financing the costs of, or refinancing certain existing indebtedness of the Corporation and/or its affiliates, the proceeds of which indebtedness were used to finance the costs of the acquisition, construction, improvement, renovation, remodeling, furnishing and equipping of certain higher educational facilities of the Corporation, including but not limited to the construction of new student residence halls, faculty housing, and a new health and sciences center, all located on the campus of the Corporation in Kirkland, Washington (the "Facilities"). (The proceeds of the Bonds will be loaned to ACSI Capital Corporation which will in turn loan the proceeds to the Corporation and the Corporation will continue to be the owner, operator and manager of the Facilities.);

2. Funding capitalized interest on a portion of the Bonds, if any;

3. Funding a debt service reserve fund, if required; and

4. Paying certain costs of issuance of the Bonds, including initial costs of any credit enhancement.

C. In order to achieve interest savings, the Corporation desires that the Bonds be issued in compliance with the requirement of the Internal Revenue Code of 1986, as amended (the "Code") so that interest on the Bonds will be excludable from the gross income of the holders.

D. Section 147 (f) of the Code requires, as a condition to receiving tax-exempt treatment of the interest on the Bonds, that a governmental unit having jurisdiction over the area in which the Facilities are located approve the Bonds and the metropolitan King County council of the state of Washington (the "Council") constitutes such an authorized governmental unit.

E. Official notice was duly advertised for the public hearing on this ordinance, which was held on September 4, 2007.

F. The Corporation and the Issuer have requested that the council enact this ordinance.

SECTION 2. A. The issuance of the Bonds by the Issuer in an aggregate amount not to exceed \$35,000,000.00 is hereby approved.

B. This approval is solely for the purposes of Section 147 (f) of the Internal Revenue Code of 1986, and King County shall have no liabilities for, or in connection with, the issuance or payment of the Bonds nor shall any of its assets be pledged to the payment of the Bonds.

C. The bonds shall not constitute an obligation of the state of Washington or of King County, and no tax funds or revenues of the state of Washington or of King County shall be used to pay the principal or interest on the bonds. Neither the faith and credit nor any taxing power of the state of Washington or of King County shall be pledged to pay the principal or interest on the bonds; and

D. King County's approval of the bond issuance shall not constitute county approval or disapproval of any other permits, certifications or actions or waive any of the

permitting, environmental review, financial obligations or legal requirements applicable to the Facilities.

Seattle Times Aug. 21, 2007, post outside chamber, hearing date Tues. Sept. 4, 2007