Legislation Details (With Text)

File #:	2019-0486 **Version:** 2		
Type:	Motion	**Status:**	Passed
File created:	12/11/2019	**In control:**	Metropolitan King County Council
On agenda:		**Final action:**	12/11/2019
Enactment date:	12/11/2019	**Enactment #:**	15564
Title:	A MOTION of the county council accepting a bid for the purchase of the county's Limited Tax General Obligation Refunding Bonds, 2019, Series C, in the aggregate principal amount of $13,020,000, establishing certain terms of such bonds, and establishing a refunding plan for the defeasance and refunding of the county's outstanding callable Limited Tax General Obligation Refunding Bonds, 2009, Series C, all in accordance with Ordinance 18376.		
Sponsors:	Claudia Balducci		
Indexes:	Bonds		
Code sections:			
Attachments:	1. Motion 15564, 2. A. Official Notice of Sale, 3. B. Winning Bid, 4. C. All Remaining Bids, 5. D. Description of the Bonds		

Date	Ver.	Action By	Action	Result
12/11/2019	1	Metropolitan King County Council	Passed	Pass

Clerk 12/11/2019

A MOTION of the county council accepting a bid for the purchase of the county's Limited Tax General Obligation Refunding Bonds, 2019, Series C, in the aggregate principal amount of $13,020,000, establishing certain terms of such bonds, and establishing a refunding plan for the defeasance and refunding of the county's outstanding callable Limited Tax General Obligation Refunding Bonds, 2009, Series C, all in accordance with Ordinance 18376.

PREAMBLE

Pursuant to Ordinance 18376 passed on September 27, 2016 (the "Ordinance"), the county council authorized the issuance of one or more series of limited tax general obligation bonds of the county for the purpose of paying all or part of the cost of refunding limited tax general obligation bonds of the county and the costs of issuing the refunding bonds.

The Ordinance provides that such bonds may be publicly sold in one or more series, either by negotiated sale or by competitive bid, as determined by the Finance Director in consultation with the county's financial advisor.

The Finance Director has determined that a series of bonds authorized pursuant to the Ordinance, designated as the county's Limited Tax General Obligation Refunding Bonds, 2019, Series C, in the aggregate principal amount of $13,020,000 (the "Bonds"), be issued and sold as provided herein for the purpose of defeasing and refunding the county's outstanding callable Limited Tax General Obligation Refunding Bonds, 2009, Series C (the “Refunded Bonds”) and paying costs of issuance.

Pursuant to the Ordinance, a preliminary official statement dated December 4, 2019, has been prepared for the public sale of the Bonds, the official notice of such sale dated December 4, 2019, and attached as Attachment A (the "Notice"), has been duly published, and bids have been received in accordance with the Notice.

The bid of Morgan Stanley & Co. LLC to purchase the Bonds (attached as Attachment B) is the best bid received for the Bonds, and it is in the best interest of the county that the Bonds be sold to Morgan Stanley & Co. LLC on the terms set forth in the Notice, the attached bid, the Ordinance and this motion.

BE IT MOVED BY THE COUNCIL OF KING COUNTY:

A. **Definitions**. Capitalized words that are used in this motion but not defined in this motion have the meanings set forth in the Ordinance for all purposes of this motion, unless some other meaning is plainly intended. The words and terms defined in the preamble to this motion, as used in this motion, have the meanings assigned such terms in the preamble to this motion, for all purposes of this motion, unless some other meaning is plainly intended.

B. **Ratification of Notice of Sale, Acceptance of Bids, and Authorization of Bonds**. The

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issuance of the Bonds, designated as the county's Limited Tax General Obligation Refunding Bonds, 2019, Series C, in the aggregate principal amount of $13,020,000 to defease and refund the Refunded Bonds and to pay costs of issuance and sale of the Bonds, and the other terms and conditions thereof set forth in the Notice, are hereby ratified and confirmed.

The offer to purchase the Bonds, as set forth in the bid of Morgan Stanley & Co. LLC attached as Attachment B, is hereby accepted, and the sale of the Bonds pursuant to such offer is hereby ratified and confirmed. All other bids that have been received are attached as Attachment C. The Bonds will be dated their date of delivery, will mature on the dates and in the amounts, will bear interest at the rates and on the dates, and will defease and refund the Refunded Bonds, all as specified in Attachment D. The Bonds will be issued as Tax -Exempt Bonds under the Ordinance. The Bonds will conform in all respects to the terms and conditions specified in the Notice and the Ordinance.

C. **Refunding Plan and Application of Bond Proceeds**. The refunding plan for the Refunded Bonds ("the Refunding Plan") shall be as follows:

1. Refunded Bonds. The county shall call the Refunded Bonds for redemption on January 1, 2020 ("the Refunded Bond Redemption Date") and a portion of the proceeds of the Bonds shall be used to refund and defease the Refunded Bonds by paying or providing for the payment of the interest on the Refunded Bonds that will become due and payable before the Refunded Bond Redemption Date, and the redemption price of the Refunded Bonds payable on the Refunded Bond Redemption Date equal to the principal amount thereof plus accrued interest to the Refunded Bond Redemption Date.

The county shall cause net proceeds of the Bonds in the amount of $14,173,855.00 to be deposited in and credited to an escrow subaccount ("the Refunded Bond Escrow Subaccount") to be created in the King County Limited Tax General Obligation Bond Refunding Account, 2019, Series C ("the Refunding Account") established pursuant to Section 14 of the Ordinance. The government obligations, if any, to be purchased with a portion of such funds in the Refunded Bond Escrow Subaccount ("the Refunded 2009C Bond Escrow

Securities") and the initial cash balance ("the Refunded Bond Initial Cash") to remain therein for the refunding of the Refunded Bonds shall be as identified in Attachment D to this motion.

2. Costs of Issuance. The county shall cause the remaining net proceeds of the Bonds in the amount of $133,281.50 to be deposited in and credited to an issuance costs subaccount to be created in the Refunding Account and applied to pay costs of issuing the Bonds, plus additional proceeds in the amount of $636.90.

C. **Escrow Agent**. The selection of U.S. Bank National Association as escrow agent ("the Escrow Agent") in connection with the Refunding Plan is hereby ratified and confirmed.

D. **Required Findings.** The county council hereby finds and determines that:

1. Savings and Defeasance of Refunded Bonds. The issuance and sale of the Bonds will effect a savings to the county, consistent with the county's debt management policy and giving consideration to the fixed maturities of the Bonds and the Refunded Bonds, the costs of issuance of the Bonds, and the known earned income from the investment of the proceeds of the Bonds pursuant to the Refunding Plan pending redemption of the Refunded Bonds. The Refunded 2009C Bond Escrow Securities to be deposited with the Escrow Agent and the income therefrom, together with the Refunded Bond Initial Cash, are sufficient to defease the Refunded Bonds and will discharge and satisfy the obligations of the county under Ordinance 15780 ("the Refunded Bond Ordinance"), and the pledge of the county in the Refunded Bond Ordinance. Immediately upon the irrevocable deposit of such Refunded 2009C Bond Escrow Securities and the Refunded Bond Initial Cash with the Escrow Agent, the Refunded Bonds shall be deemed not to be outstanding under the Refunded Bond Ordinance and shall cease to be entitled to any lien, benefit or security under the Refunded Bond Ordinance.

E. **Undertaking to Provide Ongoing Disclosure**. In accordance with Section 11 of the Ordinance, the county will enter into an undertaking to provide continuing disclosure for the Bonds in substantially the form described in the preliminary official statement for the 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 Bonds and for the proper use and application of the proceeds of the sale of the Bonds.

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