



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

May 9, 2006

Ordinance 15451

Proposed No. 2006-0162.2

Sponsors Constantine

1 AN ORDINANCE approving a plan for refinancing bonds
2 issued by CDP-King County III in 1997 to finance the
3 acquisition and construction of King Street Center and
4 amending the county's lease for King Street Center.

5

6

7 PREAMBLE:

8 Pursuant to Ordinance 12754, passed by the county council on May 27,
9 1997, the county has entered into a lease dated June 12, 1997, with CDP-
10 King County III, a Washington nonprofit corporation ("CDP"), for the
11 King Street Center (the "Lease"). Ordinance 12754 also approved the plan
12 proposed by CDP for financing the costs of acquiring, constructing and
13 equipping the King Street Center, which plan included the issuance of tax-
14 exempt bonds secured by a pledge of the county's payments under the
15 Lease. CDP issued such bonds in June 1997 in the original aggregate
16 principal amount of \$78,275,000. The King Street Center project was

17 completed in 1999 and the county then began making payments to CDP
18 under the Lease.

19 CDP now proposes to refinance those bonds and thereby reduce the
20 county's payments of rent under the Lease. To comply with the
21 requirements of federal tax law relating to issuance of the refunding
22 bonds, the county wishes to approve CDP and its plan of refunding.

23 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

24 SECTION 1. Approval of Refunding Bonds. The council hereby acknowledges
25 the intent of CDP to refund all or a portion of CDP's Lease Revenue Bonds, 1997 (King
26 Street Center Project), currently outstanding in the aggregate principal amount of
27 \$72,450,000 (the "Bonds"), by the issuance of a refunding series of lease revenue bonds
28 in an amount not to exceed \$79,000,000 (the "Refunding Bonds"). For the purpose of
29 complying with the requirements of Revenue Ruling 63-20, 1963-1C.B.24, as
30 supplemented by Revenue Procedure 82-26, 1982-1C.B.476, the county hereby
31 acknowledges and approves (i) CDP and the issuance of the Refunding Bonds on
32 substantially the same terms as the Bonds and with a final maturity date no later than that
33 of the Bonds and (ii) CDP's plan to refund all or a portion of the Bonds; provided,
34 however, that any such plan of refunding must achieve net present value savings of at
35 least 5% of the principal amount of Bonds that are advance refunded. The county hereby
36 acknowledges and confirms its approval of the pledge by CDP of revenues to be received
37 by CDP from the county under the Lease to secure payment of the Bonds and the
38 Refunding Bonds in accordance with the Indenture of Trust between CDP and the trustee
39 for the Bonds dated as of June 1, 1997, and as the Lease and Indenture may be amended

40 and supplemented to provide for refunding of certain of the Bonds and issuance of the
41 Refunding Bonds. Neither the Bonds nor the Refunding Bonds shall in any way
42 represent or create a general obligation of the county, and the county shall not pledge its
43 full faith and credit for the repayment of the Bonds or the Refunding Bonds. The county
44 agrees that when the Refunding Bonds and any outstanding Bonds are retired, the county
45 shall accept delivery of full legal and unencumbered title to the King Street Center for no
46 additional consideration.

47 The county further acknowledges that, as lessee under the Lease, it will be an
48 "obligated person" with respect to the Refunding Bonds under Rule 15c2-12 of the
49 Securities and Exchange Commission (the "Rule"). The county's finance director or his
50 designee is hereby authorized to "deem final" pursuant to the Rule those portions of any
51 preliminary official statement for the Refunding Bonds that will relate to the county, the
52 Lease and the leased premises. The finance director is also hereby authorized to enter
53 into an undertaking to provide continuing disclosure about the county, the Lease and the
54 leased premises as may be required under the Rule.

55 **SECTION 2. General Authorization.** The appropriate county officials, agents
56 and representatives are hereby authorized and directed to do everything necessary and
57 desirable to accomplish the plan of refunding approved by this ordinance and to do all
58 things necessary or desirable to permit CDP to issue, sell and deliver the Refunding
59 Bonds, including but not limited to consenting to a supplemental indenture authorizing
60 issuance of the Refunding Bonds, entering into an agreement regarding the sale of the
61 Refunding Bonds, and executing an amendment of the Lease, provided that such
62 amendment shall not materially increase the responsibilities or liabilities of the county or

63 extend the term of the Lease, and the execution and delivery of such agreements,
64 certificates and opinions relating thereto and to the Lease as may be approved by the
65 county's bond counsel or the office of the prosecuting attorney.

66 SECTION 3. Severability. If any one or more of the covenants or agreements
67 provided in this ordinance to be performed on the part of the county is found by any court
68 of competent jurisdiction to be contrary to law, then such covenant or covenants,
69 agreement or agreements shall be null and void and shall be deemed separable from the

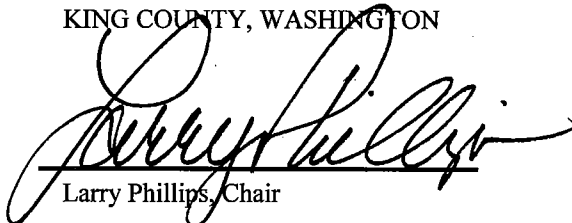
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70 remaining covenants and agreements of this ordinance and shall in no way affect the
71 validity of the other provisions of this ordinance.
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Ordinance 15451 was introduced on 4/10/2006 and passed by the Metropolitan King County Council on 5/8/2006, by the following vote:

Yes: 7 - Mr. Phillips, Ms. Lambert, Mr. Ferguson, Mr. Gossett, Ms. Hague, Ms. Patterson and Mr. Constantine
No: 0
Excused: 2 - Mr. von Reichbauer and Mr. Dunn

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



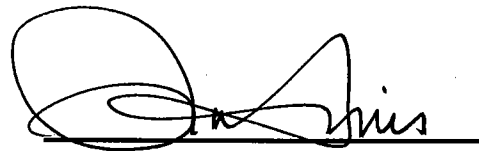
Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 11 day of May, 2006.



Ron Sims, County Executive

Attachments None

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CLERK
KING COUNTY COUNCIL