



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

May 24, 2016

Ordinance 18291

Proposed No. 2016-0189.1

Sponsors Upthegrove

1 AN ORDINANCE modifying the Projects to be financed
2 with proceeds of the bonds authorized by Ordinance 17794
3 to include the Conservation Futures Projects as additional
4 Projects; and amending Ordinance 17794, Section 1 and
5 Ordinance 17794, Section 12.

6 PREAMBLE:

7 Pursuant to Ordinance 17794, the county authorized the issuance of one or
8 more series of its limited tax general obligation bonds in an outstanding
9 aggregate principal amount not to exceed \$17,750,000 to provide long-
10 term financing for the Projects described therein, consisting of the Surface
11 Water Management Projects and the Tall Chief Acquisition Project.

12 Ordinance 17794 provides that any of the Projects may be modified where
13 deemed advisable or necessary in the judgment of the county council, and
14 implementation or completion of any authorized component thereof shall
15 not be required if the county council determines that it has become
16 inadvisable or impractical.

17 Ordinance 17794 further provides that if the completion of all or any of
18 the Projects is found to be inadvisable or impractical, the county may
19 apply any remaining proceeds of the Bonds, or any portion thereof, to the

20 acquisition or improvement of other county capital projects as the county
21 council in its discretion may determine.

22 Pursuant to Motion 14143, the county authorized the sale of the 2014B
23 Bonds as a single series of Tax-Exempt Obligations pursuant to Ordinance
24 17794 in the original aggregate amount of \$15,395,000.

25 On the Date of Issue, the county intended to allocate a portion of the
26 proceeds of the 2014B Bonds to reimburse itself for capital expenditures
27 made prior to the Date of Issue in connection with the acquisition of the
28 Tall Chief Golf Course pursuant to the Tall Chief Acquisition Project.

29 Subsequent to the Date of Issue, the county determined to sell the Tall
30 Chief Golf Course in a transaction that would result in its private business
31 use.

32 In light of such decision and consistent with the county's covenant in
33 Ordinance 17794 not to permit any series of the Bonds that are issued as
34 Tax-Exempt Obligations to become "private activity bonds" under Section
35 141 of the Code, it is inadvisable to continue to allocate proceeds of the
36 2014B Bonds to the Tall Chief Acquisition Project.

37 To allow the county to reallocate the proceeds of the 2014B Bonds to a
38 purpose other than those provided for in the original definition of the
39 Projects, it is therefore necessary to amend Ordinance 17794 to modify the
40 Projects to include the Conservation Futures Projects as additional projects
41 to be financed with proceeds of the 2014B Bonds.

42 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

43 SECTION 1. The county council hereby deems it inadvisable to continue to
44 allocate proceeds of the 2014B Bonds to the Tall Chief Acquisition Project, and further
45 deems it necessary to modify the Projects to be financed with Bond proceeds to include
46 the Conservation Futures Projects as additional Projects.

47 SECTION 2. Ordinance 17794, Section 1, is hereby amended to read as follows:

48 The following words and terms as used in this ordinance shall have the following
49 meanings for all purposes of this ordinance, unless some other meaning is plainly
50 intended:

51 "Bond Fund" means, with respect to each series of the Bonds, the bond
52 redemption account established therefor pursuant to section 11 of this ordinance.

53 "Bond Sale Motion" means a motion of the council adopted at the time of sale of
54 each series of the Bonds that establishes, with respect thereto, the following, among other
55 things: the year and, if applicable, a series designation, dates, principal amounts and
56 maturity dates, the interest rates and interest payment dates, and the redemption
57 provisions therefor.

58 "Bonds" means the limited tax general obligation bonds of the county in an
59 outstanding aggregate principal amount not to exceed \$17,750,000, authorized to be
60 issued in one or more series by this ordinance to provide long-term financing for all or
61 part of the capital costs of the ((Surface Water Management)) Projects((~~and the Tall~~
62 Chief Acquisition Project)). Each series of Bonds may be issued as Tax-Exempt
63 Obligations or Taxable Obligations, as provided in section 4.E. of this ordinance.

64 "Code" means the federal Internal Revenue Code of 1986, as amended, together
65 with corresponding and applicable final, temporary or proposed regulations and revenue

66 rulings issued or amended with respect thereto by the United States Treasury Department
67 or the Internal Revenue Service.

68 "Conservation Futures Projects" means the acquisition of the following properties
69 under the Conservations Futures program for ecological protection and preservation of
70 open space: Vashon-Maury Island Point Heyer Natural Area, Vashon-Maury Island
71 Conservation, Vashon Island Center Forest, Cougar-Squak Corridor Park Addition,
72 Green River Natural Area, Soos Creek Park, Duthie Hill Park, Griffin Creek Natural
73 Area, Big Spring Creek, Wetland 14 Natural Area, Newaukum Creek, Pinnacle Peak,
74 Tolt River, Bear Creek, Shadow Creek Bog, Cold Creek and Snoqualmie/Fall City
75 Raging River.

76 "Date of Issue" means June 24, 2014, which is the date on which the 2014B
77 Bonds were issued and delivered to the original purchasers thereof in return for payment
78 of the purchase price therefor.

79 "DTC" means The Depository Trust Company, New York, New York.

80 "Federal Tax Certification" means, with respect to each series of Bonds, the
81 certificate executed by the Finance Director pertaining to the county's expectations in
82 connection with the federal tax treatment of interest on such series of Bonds.

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

86 "Government Obligations" means "government obligations," as defined in chapter
87 39.53 RCW, as now in existence or hereafter amended.

88 "Letter of Representations" means the Blanket Issuer Letter of Representations,
89 dated May 1, 1995, from the county to DTC.

90 "Official Notice of Bond Sale" means, with respect to each series of the Bonds
91 that is sold by competitive bid, the official notice of sale therefor prepared pursuant to
92 section 4.E. of this ordinance.

93 "Projects" means, collectively, the Surface Water Management Projects, ~~and the~~
94 Tall Chief Acquisition Project and the Conservation Futures Projects.

95 "Rebate Amount" means the amount, if any, determined to be payable by the
96 county to the United States of America with respect to a specified series of Bonds in
97 accordance with Section 148(f) of the Code.

98 "Register" means the registration books maintained by the Registrar for purposes
99 of identifying ownership of the Bonds.

100 "Registrar" means the fiscal agency of the State of Washington appointed from
101 time to time by the Washington State Finance Committee pursuant to chapter 43.80
102 RCW.

103 "Rule" means Securities and Exchange Commission Rule 15c2-12 under the
104 Securities and Exchange Act of 1934, as the same may be amended from time to time.

105 "Surface Water Management Projects" means, collectively, the series of projects
106 under the Surface Water Management Capital Improvement Program and the Roads
107 Capital Improvement Program to address critical surface water issues, including, without
108 limitation, improved drainage conveyance, water quality and public safety.

109 "Tall Chief Acquisition Project" means the project to acquire the Tall Chief Golf
110 Course totaling approximately 191 acres located in Carnation, Washington, for ecological
111 protection and agricultural production.

112 "Taxable Obligations" means the Bonds of any series determined to be issued on
113 a taxable basis pursuant to section 4.E. of this ordinance.

114 "Tax-Exempt Obligations" means the Bonds of any series determined to be issued
115 on a tax-exempt basis pursuant to section 4.E. of this ordinance.

116 "2014B Bonds" means the county's Limited Tax General Obligation Bonds, 2014,
117 Series B (Federally Tax-Exempt).

118 SECTION 3. Ordinance 17794, Section 12, is hereby amended to read as
119 follows:

120 A. There is hereby created the "2014 G.O. Bonds - SWM Subfund" within
121 the Surface Water Management CIP Fund. This subfund shall be a first tier fund
122 managed by the director of the water and land resources division of the department of
123 natural resources and parks of the county. The exact amount of proceeds from the sale of
124 any series of the Bonds to be deposited into the 2014 G.O. Bonds - SWM Subfund to
125 provide long-term financing for all or part of the capital costs of the Surface Water
126 Management Projects shall be determined by the Finance Director upon the sale of such
127 series of the Bonds.

128 B. There is hereby created the "2014 G.O. Bonds - WLD Subfund" within the
129 Conservation Futures Levy Fund. This subfund shall be a first tier fund managed by the
130 director of the water and land resources division of the department of natural resources
131 and parks of the county. The exact amount of proceeds from the sale of any series of the

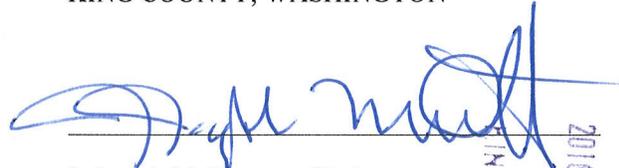
132 Bonds to be deposited into the 2014 G.O. Bonds - WLD Subfund (~~to provide long-term~~
133 ~~financing for all or part of the capital costs of the Tall Chief Acquisition Project~~) shall be
134 determined by the Finance Director upon the sale of such series of the Bonds. Such
135 proceeds shall be allocated to provide long-term financing for all or part of the capital
136 costs of the Conservation Futures Projects. No proceeds of the Bonds shall be allocated

137 to provide long-term financing for all or part of the capital costs of the Tall Chief
138 Acquisition Project.
139

Ordinance 18291 was introduced on 3/28/2016 and passed by the Metropolitan King County Council on 5/23/2016, by the following vote:

Yes: 9 - Mr. von Reichbauer, Mr. Gossett, Ms. Lambert, Mr. Dunn,
Mr. McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles
and Ms. Balducci
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



J. Joseph McDermott, Chair

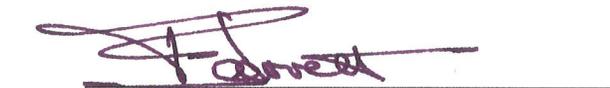
ATTEST:



Anne Noris, Clerk of the Council

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KING COUNTY COUNCIL CLERK

APPROVED this 2nd day of June, 2016.



Dow Constantine, County Executive

Attachments: None