



King County

**Metropolitan King County Council
Budget and Fiscal Management Committee**

Staff Report

Agenda Item No:	5-7	Date:	June 8, 2010
Ordinance No:	2010-0330, 2010-0331, 2010-0332	Prepared by:	Paul Carlson and John Resha, Pat Hamacher

SUBJECT

Proposed Ordinance 2010-0330: An ordinance amending the 2010-2011 biennium Road Services Division budget and capital improvement program relating to the South Park Bridge.

Proposed Ordinance 2010-0331: An ordinance authorizing the issuance of up to \$31 million in bonds to finance a \$30 million County share for the South Park Bridge Replacement project.

Proposed Ordinance 2010-0332: A motion accepting a bid for the purchase of these bonds.

OVERVIEW

The King County Executive transmitted a legislative package on June 1 containing two proposed ordinances and a proposed motion. The purpose of this legislative package is to establish a firm County commitment of funding toward demolition and replacement of the South Park Bridge. The legislative package, if adopted, would provide King County funding commitments for \$30 million of the estimated \$130.8 million costs to be raised through bonding, with annual debt payments of up to \$2.5 million over 20 years.

The Executive plans to use the County's financial commitment to leverage other contributions to the project. A key component of the overall bridge replacement funding package is a grant request for up to \$40 million from the second round of the federal Transportation Investment Generating Economic Recovery ("TIGER") program. The preliminary application for the TIGER II grant is due July 16, and the final application is due August 23. The balance of funds is expected to come from partners, including the State, the Port of Seattle, the City of Seattle, other federal grants, business and others. The various partners have indicated to the Executive that a firm County funding commitment is important to their ability to solidify project contributions. The Executive's

goal is to secure commitments from local partners by June 30, the closure date for the existing bridge.

Table 1. Key Dates

Date	Activity
June 30	South Park Bridge closes
July 16	Pre-application deadline for TIGER II grants
August 23	Final application deadline for TIGER II grants
Mid-October	TIGER II grant awards announced

Council staff analysis of the legislative package is ongoing.

Proposed Ordinance 2010-0330 would revise the 2010-2015 Roads Capital Improvement Program (“CIP”) to add \$2.5 million per year for the debt payments and eliminate funding for 13 other projects. The list of proposed project changes is enclosed (Attachment 2).

Proposed Ordinance 2010-0331 would authorize the Executive to issue up to \$31 million in Limited Tax General Obligation (LTGO) bonds to finance the estimated county share of the South Park Bridge Replacement. The property tax collections from the unincorporated area levy would be used to retire the annual debt service payments on the bonds. The current estimate is approximately \$2.5 million per year with a term of 20 years. Of note, there will be an amendment necessary to correct a typographical error and other amendments may become necessary.

Proposed Motion 2010-0332 is a placeholder motion that ultimately will be used to accept the purchase of the bonds on the day of the sale. This motion is currently blank in many areas, because the details of the bond sale are not yet known. The Committee may want to pass this item without recommendation, as is customary. The item can then hold its place on the Council calendar until an actual sale occurs.

South Park Bridge Replacement (CIP #300197) and Demolition Projects (CIP #300610) - The 2010-2015 Roads CIP includes two South Park Bridge projects: (1) South Park Bridge Replacement (CIP #300197) and (2) South Park Demolition (CIP #300610). The replacement project cost – now estimated at \$130.8 million – includes demolition costs. The separate demolition project was included in the CIP based on the RSD staff’s judgment that the existing bridge would need to be closed whether or not replacement funds were available.

As amended, the **Replacement** project has a 2010 appropriation of \$126.7 million that cannot be expended or encumbered until the Council has approved a funding plan for

the project by motion. The Executive intends to submit this motion later in the year, after the TIGER II competition results are known.

As amended, the **Demolition** project has an appropriation of \$8,638,000 in 2010-2011 and \$17,486,000 in 2015. Some of these costs are double-counted in both projects. The County has applied to the State for a grant to cover some of the demolition project costs; according to RSD staff, this request will only be evaluated in the context of the total funding package.

When the TIGER II grant announcement is made and the Executive transmits a motion to approve the funding plan, the Council will have an opportunity to align the replacement and demolition appropriations and eliminate any duplication.

Next Steps

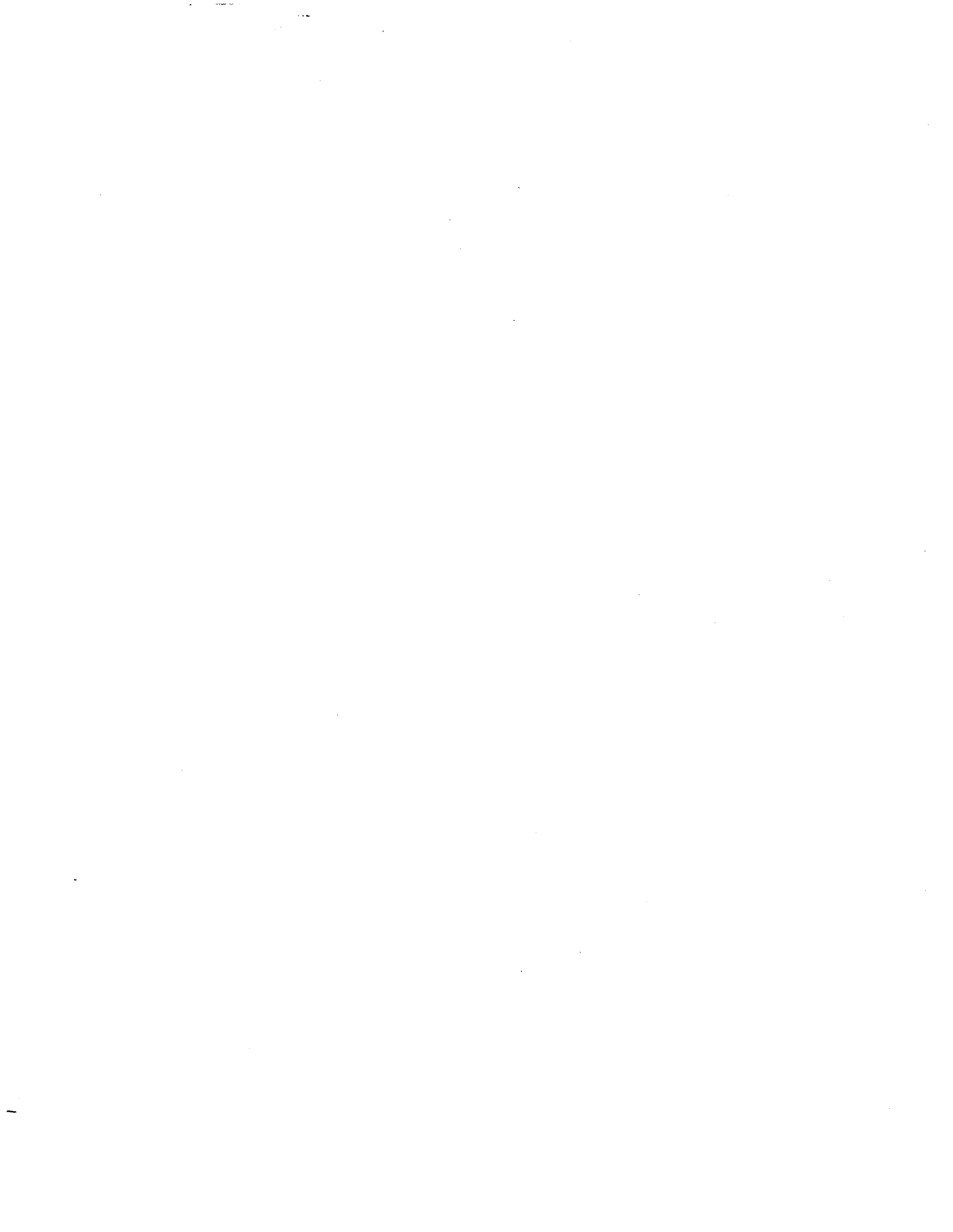
Council staff will review the three proposed ordinances, analyze significant policy issues, and report back to the Committee later this month.

Invited:

Harold Taniguchi, Director King County Department of Transportation
Sung Yang, Director of Government Relations

Attachments:

1. Proposed Ordinance 2010-0330
2. List of Proposed Project Changes in Proposed Ordinance 2010-0330
3. Proposed Ordinance 2010-0331
4. Proposed Motion 2010-0332
5. Executive's Transmittal Letter for all three items
6. Fiscal Note





KING COUNTY

Signature Report

June 7, 2010

Ordinance

Attachment 1

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Proposed No. 2010-0330.1

Sponsors Drago, Ferguson and Patterson

1 AN ORDINANCE pertaining to the Roads Capital
2 Improvement Program; and amending the 2010/2011
3 Biennium Budget Ordinance, Ordinance 16717, Section
4 137, as amended, and Attachment G, as amended.

5 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

6 SECTION. Findings:

7 A. The South Park Bridge, built in 1931, is at the end of its useful life. The
8 problems with the bridge structure are so extensive that there are no feasible repair
9 options, and the bridge is scheduled to close June 30, 2010.

10 B. The current cost estimate to build a new bridge and demolish the existing
11 structure is approximately \$131,000,000.

12 C. Efforts to find replacement funding for the bridge have been underway for
13 many years. With pre-2010 contributions from several sources, an additional
14 \$30,000,000 has been expended on this project thus far, including the preliminary
15 engineering, design and environmental work, as well as the acquisition of right-of-way
16 necessary for the construction of the new bridge.

17 D. Since 2009, King County applied for a \$99,000,000 grant from the United
18 States Department of Transportation, Transportation Infrastructure Generating Economic
19 Recovery (TIGER) program for the replacement of the South Park Bridge. This

20 application made the final round of projects but ultimately was not chosen to receive
21 grant funding.

22 E. In April 2010, the United States Department of Transportation announced a
23 second opportunity for transportation projects eligible under the Transportation
24 Infrastructure Generating Economic Recovery ("TIGER II") program.

25 F. King County is preparing an application for this second round of funding with
26 a request of \$40,000,000. Additional efforts are underway to engage funding partners to
27 help realize full funding of the South Park Bridge replacement.

28 G. King County must contribute more of its own funding to demonstrate
29 sufficient commitment to its share of the project and to provide a local match as a
30 requirement of the TIGER II program application, which is due August 23, 2010.

31 H. This contribution can be realized by issuing \$30,000,000 in bonds backed by
32 the King County road fund. This bond issuance will be addressed through a separate
33 ordinance.

34 I. It is estimated that the annual debt service for these bonds will amount to
35 \$2,500,000. This ordinance amends the Roads Capital Improvement Program
36 accordingly to provide the funding needed to pay the annual debt service.

37 J. Following notification of a successful grant award, legislation will be
38 transmitted to release additional construction funding currently constrained by proviso P1
39 in section 2 of this ordinance.

40 SECTION 2. Ordinance 16717, Section 137, as amended is hereby amended by
41 adding thereto and inserting therein the following:

42 ROADS CAPITAL IMPROVEMENT PROGRAM - The executive is hereby
43 authorized to execute any utility easements, bill of sale or related documents necessary
44 for the provision of utility services to the capital projects described in Attachment G to
45 this ordinance, but only if the documents are reviewed and approved by the custodial
46 agency, the real estate services division, and the prosecuting attorney's office. Consistent
47 with the requirements of the Growth Management Act, Attachment G to this ordinance
48 was reviewed and evaluated according to the King County Comprehensive Plan. Any
49 project slated for bond funding will be reimbursed by bond proceeds if the project incurs
50 expenditures before the bonds are sold.

51 The two primary prioritization processes that provided input to the 2010-2015
52 Roads Capital Improvement Program are the Bridge Priority Process published in the
53 Annual Bridge Report, and the Transportation Needs Report.

54 From the Road Services Capital Improvement Program funds there are hereby
55 appropriated and authorized to be disbursed the following amounts for the specific
56 projects identified in Attachment G to this ordinance.

57	Fund	Fund Name	2010/2015
58	3860	ROADS CONSTRUCTION	\$0

59 P1 PROVIDED THAT:

60 For CIP Project 300610, South Park Bridge Demolition, no more than \$1,800,000
61 may be expended or encumbered for right-of-way acquisition, and no more than
62 \$1,400,000 may be expended or encumbered for other project purposes until the
63 executive has transmitted a report certifying that insufficient funding is available for CIP
64 Project 300197, South Park Bridge Replacement, or providing an update on an executive

65 plan to fund CIP Project 300197. The report shall include the finalized closure plan for
66 the South Park Bridge.

67 The report required to be submitted by this proviso must be filed in the form of a
68 paper original and an electronic copy with the clerk of the council, who shall retain the
69 original and provide an electronic copy to all councilmembers and to the committee
70 coordinator for the Physical Environment Committee or its successor.

71 P2 PROVIDED FURTHER THAT:

72 For CIP Project 300197, South Park Bridge Replacement, none of the amount
73 appropriated in 2010 may be expended or encumbered until the executive has
74 transmitted, and the council has approved by motion, a funding plan for the project. Any
75 ordinance necessary for implementation of the funding plan shall be transmitted with the
76 plan.

77 Any plan or legislation required to be submitted by this proviso must be filed in
78 the form of a paper original and an electronic copy with the clerk of the council, who
79 shall retain the original and provide an electronic copy to all councilmembers and to the
80 committee coordinator for the Physical Environment Committee or its successor.

81 SECTION 3. Attachment A to this ordinance hereby amends Attachment G to

82 Ordinance 16717, as amended, by adding thereto and inserting therein the projects listed
83 in Attachment A to this ordinance.

84

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Robert W. Ferguson, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this _____ day of _____, _____.

Dow Constantine, County Executive

Attachments: A. Revised Capital Improvement Program dated June 1, 2010

Attachment A: Revised Roads Capital Improvement Program (Biennial Budget 2010/2011) dated June 1, 2010
Adopted Ordinance 16717, Section 137

Fund	Project	Description	2010	2011	2012	2013	2014	2015	2010-2015
3860		Roads Construction							
	100109	NE Woodinville-Duvall Rd @ 194th Ave NE	-	-	-	(254,000)	(198,000)	-	(452,000)
	100114	Bear Creek Bridge #333A	-	-	-	-	(498,000)	(215,000)	(713,000)
	300511	132nd Ave SE @ SE 224th St	-	-	-	(127,000)	(46,000)	-	(173,000)
	300311	SE 288th St @ 51st Ave S.	-	(196,000)	(781,000)	-	-	-	(977,000)
	300411	S. 316th St @ 51st Ave S.	-	(178,000)	(1,290,000)	-	-	-	(1,468,000)
	300508	SE 277th St Bridge #3126	-	-	(2,355,000)	-	-	-	(2,355,000)
	300611	S. 288th St @ 48th Ave S.	-	(178,000)	(737,000)	-	-	-	(915,000)
	400511	Covington Creek Bridge #3082	-	(178,000)	(636,000)	-	-	-	(814,000)
	200211	SE Newport Way	-	(268,000)	(831,000)	-	-	-	(1,099,000)
	300213	Soos Creek Bridge #3109A	-	-	-	(191,000)	(681,000)	-	(872,000)
	300313	Soos Creek Bridge #3109	-	-	-	(191,000)	(681,000)	-	(872,000)
	400109	148th Ave SE @ SE 224th St	-	(268,000)	(700,000)	-	-	-	(968,000)
	400113	Lake Youngs Way Bridge #3109B	-	-	-	(191,000)	(681,000)	-	(872,000)
	800201	Debt Service Project	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	12,500,000
	999386	Cost Model Contingency	-	-	50,000	-	-	-	50,000
		Total Fund 3860	0	1,234,000	-478,000	1,546,000	-285,000	2,285,000	-



KING COUNTY
Signature Report

June 7, 2010

Ordinance

Proposed No. 2010-0331.1

Sponsors Drago, Ferguson and Patterson

1 AN ORDINANCE authorizing the issuance and public sale
2 of one or more series of limited tax general obligation
3 bonds of the county in an outstanding aggregate principal
4 amount not to exceed \$31,000,000 to provide long-term
5 financing for the South Park Bridge Replacement Project;
6 providing for the disposition of the proceeds of sale of the
7 bonds; establishing funds for the receipt and expenditure of
8 bond proceeds and for the payment of the bonds; and
9 providing for the annual levy of taxes to pay the principal
10 thereof and interest thereon.

11 **PREAMBLE:**

12 The county council has previously reviewed and approved expenditures
13 for the South Park Bridge Replacement Project.

14 It is deemed necessary and advisable that the county now authorize the
15 issuance and sale of one or more series of its limited tax general obligation
16 bonds in an outstanding aggregate principal amount not to exceed
17 \$31,000,000 to provide long-term financing for the South Park Bridge
18 Replacement Project.

19 **BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:**

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

23 "BABs" means "build America bonds" authorized under Section 54AA of the
24 Code.

25 "Bond Fund" means, with respect to each series of the Bonds, the bond
26 redemption account established therefor pursuant to Section 11 of this ordinance.

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

32 "Bonds" means the limited tax general obligation bonds of the county in an
33 outstanding aggregate principal amount not to exceed \$31,000,000, authorized to be
34 issued in one or more series by this ordinance to provide long-term financing for the
35 South Park Bridge Replacement Project. Each series of Bonds may be issued as Tax-
36 Exempt Obligations, BABs, RZEDBs or other Taxable Obligations, as provided in
37 Section 4.E of this ordinance.

38 "Code" means the federal Internal Revenue Code of 1986, as amended, together
39 with corresponding and applicable final, temporary or proposed regulations and revenue
40 rulings issued or amended with respect thereto by the United States Treasury Department
41 or the Internal Revenue Service.

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

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

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

49 "Government Obligations" means "government obligations," as defined in chapter
50 39.53 RCW, as now in existence or hereafter amended.

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

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

57 "Refundable Credits" means with respect to any series of the Bonds that are
58 issued as BABs or RZEDBs, the amounts which are payable by the federal government
59 under Section 6431 of the Code, which the county has elected to receive under Section
60 54AA(g)(1) of the Code.

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

63 "Registrar" means the fiscal agency of the State of Washington appointed from
64 time to time by the Washington State Finance Committee pursuant to chapter 43.80
65 RCW.

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

68 "RZEDBs" means "recovery zone economic development bonds" authorized
69 under Section 1400U-2 of the Code.

70 "South Park Bridge Replacement Project" means the capital costs of the project to
71 construct a moveable bridge over the Duwamish Waterway parallel and adjacent to the
72 existing South Park Bridge, as well as related intersection improvements, rain garden
73 construction, roadway and drainage construction, utilities removal and relocation,
74 riverbank mitigation and incorporation of historic/art elements.

75 "Taxable Obligations" means the Bonds of any series determined to be issued on
76 a taxable basis, but not including any BABs or RZEDBs, pursuant to Section 4.E of this
77 ordinance.

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

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

81 A. The South Park Bridge Replacement Project will contribute to the health,
82 safety and welfare of the citizens of the county. The South Park Bridge is a critical part
83 of our infrastructure linking industrial and manufacturing centers. The bridge carries
84 over 20,000 vehicles a day and links the residential and industrial neighborhoods of
85 Georgetown and South Park. The bridge is important to maintaining mobility in the
86 region and its closure will affect other connections across the Duwamish River including
87 the First Avenue South Bridge.

88 B. The issuance of limited tax general obligation bonds of the county to
89 provide long-term financing for the South Park Bridge Replacement Project, payable
90 from regular property taxes or other revenues, taxes and money of the county legally
91 available for such purposes, will reduce the overall costs of borrowing such funds and is
92 in the best interests of the county and its citizens.

93 SECTION 3. Authorization of South Park Bridge Replacement Project. The
94 county has previously authorized the undertaking of the South Park Bridge Replacement
95 Project. The South Park Bridge Replacement Project shall also include (a) capitalized
96 interest, interest on interim financing for such projects pending receipt of Bond proceeds,
97 and costs and expenses incurred in issuing the Bonds; (b) the capitalizable costs of sales
98 tax, acquisition and contingency allowances, financing, and any and all surveys,
99 explorations, engineering and architectural studies, drawings, designs and specifications
100 incidental, necessary or convenient to the implementation of the South Park Bridge
101 Replacement Project; and (c) the purchase of all materials, supplies, appliances,
102 equipment and facilities, and the permits, franchises, property and property rights and
103 capitalizable administrative costs, necessary, incidental or convenient to the
104 implementation of the South Park Bridge Replacement Project.

105 The South Park Bridge Replacement Project may be modified where deemed
106 advisable or necessary in the judgment of the county council, and implementation or
107 completion of any authorized component thereof shall not be required if the county
108 council determines that it has become inadvisable or impractical. If all of the South Park
109 Bridge Replacement Project has been completed, or its completion duly provided for, or
110 their completion found to be inadvisable or impractical, the county may apply any

111 remaining proceeds of the Bonds, or any portion thereof, to the acquisition or
112 improvement of other county capital projects as the county council in its discretion may
113 determine. In the event that the proceeds of the sale of the Bonds, plus any other money
114 of the county legally available therefor, are insufficient to accomplish all of the South
115 Park Bridge Replacement Project, the county shall use the available funds for paying the
116 cost of those components of the South Park Bridge Replacement Project deemed by the
117 county council most necessary and in the best interest of the county.

118 SECTION 4. Purpose, Authorization and Description of Bonds.

119 A. Purpose and Authorization of Bonds. The county authorizes the issuance
120 of the Bonds to provide long-term financing for the South Park Bridge Replacement
121 Project.

122 B. Description of Bonds. The Bonds may be issued in one or more series so
123 long as the aggregate principal amount of the Bonds to be outstanding on the date of
124 issuance of each series of the Bonds does not exceed \$31,000,000. Each series of the
125 Bonds shall be designated "King County, Washington, Limited Tax General Obligation
126 Bonds," with the year and any applicable series designation and with the additional
127 designations of "(Federally Tax-Exempt)" for any series of Bonds issued as Tax-Exempt
128 Obligations, "(Federally Taxable Build America Bonds)" for any series of Bonds issued
129 as BABs, "(Federally Taxable Recovery Zone Economic Development Bonds)" for any
130 series of Bonds issued as RZEDBs, or "(Federally Taxable)" for any series of Bonds
131 issued as any other sort of Taxable Obligations, as applicable, all as established by the
132 related Bond Sale Motion. Each series of the Bonds shall be dated as of such date, shall
133 mature on the date or dates in each of the years and in the principal amounts, shall bear

134 interest (computed on the basis of a 360-day year of twelve 30-day months) from their
135 date or the most recent interest payment date to which interest has been paid or duly
136 provided for, whichever is later, at the rates and payable on such dates, and shall be
137 subject to redemption prior to maturity in the amounts, in the manner and at the prices,
138 and shall be subject to such other terms and provisions as the county shall establish by the
139 related Bond Sale Motion. Each series of the Bonds shall be fully registered as to both
140 principal and interest, shall be in the denomination of \$5,000 each or any integral
141 multiple thereof (but no Bond shall represent more than one maturity), shall be numbered
142 separately in such manner and with any additional designation as the Registrar deems
143 necessary for purposes of identification.

144 C. Initial Immobilization of Bonds; Depository Provisions. The Bonds of
145 each series shall initially be held in fully immobilized form by DTC acting as depository
146 pursuant to the terms and conditions set forth in the Blanket Issuer Letter of
147 Representations heretofore executed on behalf of the county. Neither the county nor the
148 Registrar shall have any responsibility or obligation to DTC participants or the persons
149 for whom they act as nominees with respect to such Bonds with respect to the accuracy of
150 any records maintained by DTC or any DTC participant, the payment by DTC or any
151 DTC participant of any amount in respect of principal or redemption price or interest on
152 such Bonds, any notice that is permitted or required to be given to registered owners
153 under this ordinance (except such notice as is required to be given by the county to the
154 Registrar or to DTC), the selection by DTC or any DTC participant of any person to
155 receive payment in the event of a partial redemption of such Bonds or any consent given
156 or other action taken by DTC as owner of such Bonds.

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

167 (1) To any successor of DTC or its nominee, if that successor shall be
168 qualified under any applicable laws to provide the services proposed to be provided by it;

169 (2) To any substitute depository appointed by the county pursuant to
170 this subsection or such substitute depository's successor; or

171 (3) To any person as herein provided if such Bonds are no longer held
172 in immobilized form.

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

180 In the case of any transfer pursuant to clause (1) or (2) of the second paragraph of
181 this subsection, the Registrar, upon receipt of all outstanding Bonds of such series
182 together with a written request on behalf of the county, shall issue a single new Bond
183 certificate for each maturity of Bonds of such series then outstanding, registered in the
184 name of such successor or such substitute depository, or their nominees, as the case may
185 be, all as specified in such written request of the county.

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

198 D. Place, Manner and Medium of Payment. Both principal of and interest on
199 the Bonds shall be payable in lawful money of the United States of America. For so long
200 as any outstanding Bonds are registered in the name of CEDE & Co., or its registered
201 assigns, as nominee of DTC, payments of principal of and interest on such Bonds shall be

202 made in next day funds on the date such payment is due and payable at the place and in
203 the manner provided in the Letter of Representations.

204 In the event that the Bonds of any series are no longer held in fully immobilized
205 form by DTC or its successor (or substitute depository or its successor), interest on such
206 Bonds shall be paid by checks or drafts mailed, or by wire transfer, to the owners of such
207 Bonds at the addresses for such owners appearing on the Register on the 15th day of the
208 calendar month preceding the interest payment date. Wire transfer will be made only if
209 so requested in writing and if the owner owns at least \$1,000,000 par value of such
210 Bonds. Principal of the Bonds shall be payable at maturity or on such dates as may be
211 fixed for prior redemption upon presentation and surrender of such Bonds by the owners
212 to the Registrar.

213 E. Sale of Bonds. The county hereby authorizes the public sale of the Bonds.
214 The Bonds shall be sold in one or more series, any of which may be sold in a combined
215 offering with other bonds and/or notes of the county, at the option of the Finance
216 Director. The Finance Director shall determine, in consultation with the county's
217 financial advisors, whether each series of the Bonds shall be sold by negotiated sale or
218 competitive bid, and whether such series of Bonds shall be issued and sold as Tax-
219 Exempt Obligations, BABs, RZEDBs or other Taxable Obligations.

220 If the Finance Director determines that any series of the Bonds shall be sold by
221 negotiated sale, the Finance Director shall, in accordance with applicable county
222 procurement procedures, solicit one or more underwriting firms with which to negotiate
223 the sale of such Bonds. The purchase contract for each series of the Bonds shall specify
224 whether the Bonds of such series are being issued and sold as Tax-Exempt Obligations,

225 BABs, RZEDBs or other Taxable Obligations, and shall also establish the year and any
226 applicable series designation, date, principal amounts and maturity dates, interest rates
227 and interest payment dates, redemption provisions and delivery date for such series of the
228 Bonds, so long as the aggregate principal amount of all Bonds to be outstanding on the
229 date of issuance of such series of the Bonds does not exceed \$31,000,000. The county
230 council, by Bond Sale Motion, shall approve the bond purchase contract and ratify
231 whether the Bonds of such series are being issued and sold as Tax-Exempt Obligations,
232 BABs, RZEDBs or other Taxable Obligations, and the other terms for the series of the
233 Bonds established thereby.

234 If the Finance Director determines that any series of the Bonds shall be sold by
235 competitive bid, bids for the purchase of each series of the Bonds shall be received at
236 such time and place and by such means as the Finance Director shall direct.

237 Upon the date and time established for the receipt of bids for each series of the
238 Bonds, the Finance Director or his designee shall open the bids for the Bonds, shall cause
239 the bids to be mathematically verified and shall report to the county council regarding the
240 bids received. Such bids shall then be considered and acted upon by the county council
241 in an open public meeting. The county council reserves the right to reject any and all
242 bids for any series of the Bonds. The county council shall, by Bond Sale Motion, ratify
243 and confirm whether the Bonds of such series are being issued and sold as Tax-Exempt
244 Obligations, BABs, RZEDBs or other Taxable Obligations, and shall also ratify and
245 confirm the year and any applicable series designation, date, principal amounts and
246 maturity dates, interest rates and interest payment dates, redemption provisions and

270 DEVELOPMENT BONDS)]

271 [(FEDERALLY TAXABLE)]

272 INTEREST RATE: MATURITY DATE: CUSIP NO. :

273 REGISTERED OWNER:

274 PRINCIPAL AMOUNT:

275 KING COUNTY, WASHINGTON (the "County"), hereby acknowledges itself to
276 owe and for value received promises to pay to the registered owner identified above, or
277 registered assigns, on the Maturity Date specified above, the Principal Amount specified
278 above and to pay interest thereon (computed on the basis of a 360-day year of twelve 30-
279 day months) from _____, or the most recent date to which interest has been
280 paid or duly provided for until payment of this Bond at the Interest Rate set forth above,
281 payable on _____, and semiannually thereafter on the ____ day of each succeeding
282 _____ and _____ to the maturity or prior redemption of this Bond.

283 Both principal of and interest on this Bond are payable in lawful money of the
284 United States of America. While Bonds are held on immobilized "book entry" system of
285 registration, the principal of this Bond is payable to the order of the registered owner in
286 same day funds received by the registered owner on the maturity date of this Bond, and
287 the interest on this Bond is payable to the order of the registered owner in same day funds
288 received by the registered owner on each interest payment date. When Bonds are no
289 longer held in an immobilized "book entry" registration system, the principal shall be
290 paid to the registered owner or nominee of such owner upon presentation and surrender
291 of this Bond to the fiscal agency of the State of Washington (the "Registrar"), and the
292 interest shall be paid by mailing a check or draft (on the date such interest is due) to the

293 registered owner or nominee of such owner at the address shown on the registration
294 books maintained by the Registrar (the "Register") as of the 15th day of the month prior
295 to the interest payment date; provided, however, that if so requested in writing by the
296 registered owner of at least \$1,000,000 par value of the Bonds, interest will be paid by
297 wire transfer.

298 This Bond is one of an authorized issue of Bonds of like date and tenor, except as
299 to number, amount, rate of interest and date of maturity[, and redemption provisions],in
300 the aggregate principal amount of \$ _____, and is issued to provide long-term
301 financing for the South Park Bridge Replacement Project defined and described in King
302 County Ordinance _____ (the "Bond Ordinance"). Capitalized words and phrases used
303 but not defined herein shall have the meanings set forth in the Bond Ordinance.

304 The Bonds of this issue are issued under and in accordance with the provisions of
305 the Constitution and applicable statutes of the State of Washington, the County Charter
306 and applicable ordinances duly adopted by the County.

307 [The Bonds of this issue are subject to redemption prior to maturity as follows:
308 (information to come from related Bond Sale Motion)].

309 The County has irrevocably covenanted in the Bond Ordinance that, for as long as
310 any of the Bonds are outstanding and unpaid, each year it will include in its budget and
311 levy an *ad valorem* tax within the constitutional and statutory tax limitations provided by
312 law without a vote of the people upon all the property within the County subject to
313 taxation in an amount that will be sufficient, together with all other revenues, taxes and
314 money of the County legally available for such purposes, to pay the principal of and
315 interest on the Bonds as the same shall become due. The County has irrevocably pledged

