



King County

Dow Constantine

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www.kingcounty.gov

May 28, 2021

The Honorable Claudia Balducci
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Balducci:

This letter transmits a proposed ordinance that, if enacted, would authorize the issuance of unlimited tax general obligation (UTGO) bonds to provide funding for public health, safety and seismic improvements at the Harborview Medical Center (the “improvements”) and to refund outstanding UTGO bonds in order to reduce future debt service.

On June 23, 2020 the County Council adopted Ordinance 19117 which authorized the placement of a proposition on the November 3, 2020 general election ballot at the seeking approval for King County to issue up to \$1,740,000,000 of UTGO bonds to finance the medical center’s improvements and to pay the costs of issuance of the bonds. King county voters overwhelmingly approved the proposition.

Accordingly, this proposed ordinance would authorize the issuance of these UTGO bonds, which are expected to be sold in annual installments over the period from 2021 through 2029.

In addition, the proposed ordinance also includes authorization for the issuance of refunding bonds to refinance any outstanding UTGO bonds, including those issued pursuant to this proposed ordinance, in order to achieve future debt service savings that meet certain target levels as identified in King County’s adopted debt management policy as specified in Motion 12660. Given the unpredictable nature of future interest rates, as well as the potential for federal legislation that would re-authorize tax-advantaged advance refundings, it is not possible to estimate the amount of the refunding bonds. As such, there is no “not-to-exceed” principal amount for refunding bonds included in the proposed ordinance.

The first issue of bonds to be sold pursuant to this proposed ordinance is currently planned for the fourth quarter of 2021. Accordingly, I respectfully request the Council’s review and adoption of this proposed ordinance by the end of September.

The Honorable Claudia Balducci

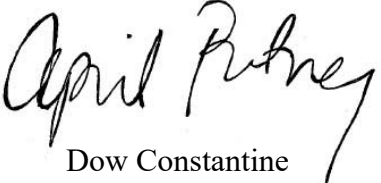
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The enclosed proposed ordinance is aligned with the efficient, accountable regional and local government goal of King County's Strategic Plan because it exercises sound financial management and risk management while building the County's long-term fiscal strength.

If your staff have questions about the proposed ordinance, please contact Ken Guy, Director, Finance and Business Operations Division (FBOD) at 206-263-9254.

Sincerely,

 for

Dow Constantine
King County Executive

Enclosures

cc: King County Councilmembers
ATTN: Carolyn Busch, Chief of Staff
Melani Pedroza, Clerk of the Council
Shannon Braddock, Deputy Chief of Staff, Office of the Executive
Karan Gill, Director, Council Relations, Office of the Executive
Dwight Dively, Director, Office of Performance, Strategy and Budget
Caroline Whalen, County Administrative Officer, Department of Executive
Services (DES)
Ken Guy, Director, Finance and Business Operations Division, DES