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Title: A MOTION of the county council accepting a bid for the purchase of the county's Limited Tax General Obligation Bonds, 2020, Series A, in the aggregate principal amount of \$53,155,000, and accepting a bid for the purchase of the county's Limited Tax General Obligation Refunding Bonds, 2020, Series B (Taxable), in the aggregate principal amount of \$74,040,000, and establishing certain terms of such bonds, all in accordance with Ordinance 19154 and Ordinance 18376.

Sponsors: Jeanne Kohl-Welles

Indexes: Bonds

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Attachments: 1. Motion 15698, 2. A. Official Notice of Sale, 3. B-1. Winning Bid for the 2020A Bonds, 4. B-2. Winning Bid for the 2020B Bonds, 5. C-1. All Bids for the 2020A Bonds, 6. C-2. All Bids for the 2020B Bonds, 7. D-1. Description of the 2020A Bonds, 8. D-2. Description of the 2020B Bonds

Date	Ver.	Action By	Action	Result
10/27/2020	1	Metropolitan King County Council	Passed	Pass

Clerk 10/27/2020

A MOTION of the county council accepting a bid for the purchase of the county's Limited Tax General Obligation Bonds, 2020, Series A, in the aggregate principal amount of \$53,155,000, and accepting a bid for the purchase of the county's Limited Tax General Obligation Refunding Bonds, 2020, Series B (Taxable), in the aggregate principal amount of \$74,040,000, and establishing certain terms of such bonds, all in accordance with Ordinance 19154 and Ordinance 18376.

PREAMBLE

Pursuant to Ordinance 19154 passed on September 1, 2020, the county council authorized the issuance of limited tax general obligation bonds in the aggregate original principal amount not to exceed \$150,000,000 to provide financing for transit operational capacity projects, the acquisition of an office facility, the acquisition of land adjacent to the airport, the jail

management system project, upgrades to the FMD asset management system, the acquisition of a building for the downtown public health clinic, and open space acquisitions, and to pay costs of issuing the bonds.

Pursuant to Ordinance 18376 passed on September 27, 2016, the county council authorized the issuance of limited tax general obligation refunding bonds for the purpose of refunding outstanding obligations of the County.

Ordinance 19154 and Ordinance 18376 (collectively, the "Ordinance") provide 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 19154, designated as the county's Limited Tax General Obligation Bonds, 2020, Series A, in the aggregate principal amount of \$53,155,000 (the "2020A Bonds"), and a series of bonds authorized pursuant to Ordinance 18376, designated as the county's Limited Tax General Obligation Refunding Bonds, 2020, Series B (Taxable), in the aggregate principal amount of \$74,040,000 (the "2020B Bonds" and, together with the 2020A Bonds, the "Bonds") shall be sold as provided herein.

Pursuant to the Ordinance, a preliminary official statement dated October 16, 2020, has been prepared for the public sale of the Bonds, the official notice of such sale dated October 16, 2020, and attached as Attachment A (the "Notice"), has been duly published, and bids have been received in accordance with the Notice.

The bid of Barclays Capital Inc. to purchase the 2020A Bonds (attached as Attachment B-1) is the best bid received for the 2020A Bonds, and it is in the best interest of the county that the 2020A Bonds be sold to Barclays Capital Inc. on the terms set forth in the Notice, the attached bid, the Ordinance and this motion.

The bid of Citigroup Global Markets Inc. to purchase the 2020B Bonds (attached as Attachment B-2) is the best bid received for the 2020B Bonds, and it is in the best interest of the county that the 2020B Bonds be sold to Citigroup Global Markets Inc. 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 issuance of the Bonds designated as: (a) the county's Limited Tax General Obligation Bonds, 2020, Series A, in the aggregate principal amount of \$53,155,000, to provide financing for transit operational capacity projects, the acquisition of an office facility, the jail management system project, upgrades to the FMD asset management system, the acquisition of a building for the downtown public health clinic, and open space acquisitions (collectively, the "Projects"), and to pay the costs of issuance and sale of the 2020A Bonds and (b) the county's Limited Tax General Obligation Refunding Bonds, 2020, Series B (Taxable), in the aggregate principal amount of \$74,040,000 to advance refund on a taxable basis certain outstanding obligations of the County and to pay costs of issuance and sale of the 2020B Bonds and costs of the refunding plan, and the other terms and conditions thereof set forth in the Notice, are hereby ratified and confirmed.

The offer to purchase the 2020A Bonds, as set forth in the bid of Barclays Capital Inc., attached as Attachment B-1, is hereby accepted, and the sale of the 2020A Bonds pursuant to such offer is hereby ratified and confirmed. All bids that have been received for the 2020A Bonds are attached as Attachment C-1. The 2020A Bonds will be dated their date of delivery, will be subject to optional and mandatory redemption, will

mature on the dates and in the amounts, and will bear interest at the rates and on the dates, all as specified in Attachment D-1.

The offer to purchase the 2020B Bonds, as set forth in the bid of Citigroup Global Markets Inc., attached as Attachment B-2, is hereby accepted, and the sale of the 2020B Bonds pursuant to such offer is hereby ratified and confirmed. All bids that have been received for the 2020B Bonds are attached as Attachment C-2. The 2020B Bonds will be dated their date of delivery, will be subject to optional redemption, will mature on the dates and in the amounts, and will bear interest at the rates and on the dates, all as specified in Attachment D-2.

The 2020A Bonds will be issued as Tax-Exempt Bonds under Ordinance 19154. The 2020B Bonds will be issued as Taxable Bonds under Ordinance 18376. Each series of the Bonds will conform in all respects to the terms and conditions for that series specified in the Notice and the Ordinance.

C. **Application of 2020A Bond Proceeds.** \$67,800,000 of the proceeds of the 2020A Bonds shall be used to finance costs of the Projects and \$437,854 shall be used to pay the underwriter's discount and other costs of issuance for the 2020A Bonds, in accordance with Ordinance 19154.

In accordance with Section 15.A of Ordinance 19154, there has been established a special subfund designated as the "2020 G.O. Bonds Facilities Subfund" within the FMD Building Repair/Replacement Fund (3951). \$23,000,000 of the proceeds of the 2020A Bonds will be deposited into the 2020 G.O. Bonds Facilities Subfund and applied to provide financing for all or part of the capital costs of the of the Kent Building Acquisition Project, the FMD Asset Management System Upgrade Project, and the Downtown Public Health Clinic Project, in accordance with Section 15.A of Ordinance 19154.

In accordance with Section 15.B of Ordinance 19154, there has been established a special subfund designated as the "2020 G.O. Bonds Conservation Subfund" within the Conservation Futures Fund (3151). \$13,800,000 of the proceeds of the 2020A Bonds will be deposited into the 2020 G.O. Bonds Conservation Subfund and applied to provide financing for all or part of the capital costs of long-term financing for all or part

of the capital costs of the Conservation Futures Land Acquisition Projects in accordance with Section 15.B of Ordinance 19154.

In accordance with Section 15.C of the Ordinance, there has been established a special subfund designated as the "2020 G.O. Bonds KCIT Subfund" within the Office of Information Resource Management Capital Projects Fund (3771). \$4,000,000 of the proceeds of the 2020A Bonds will be deposited into the 2020 G.O. Bonds KCIT Subfund and applied to provide financing for all or a part of the capital costs of the Jail Management System Project in accordance with Section 15.C of Ordinance 19154.

In accordance with Section 15.D of the Ordinance, there has been established a special subfund designated as the "2020 G.O. Bonds Public Transportation Construction Subfund" within the Public Transportation Construction Fund (3641). \$27,000,000 of the proceeds of the Bonds will be deposited into the 2020 G.O. Bonds Public Transportation Construction Subfund and applied to provide financing for all or part of the capital costs of the Transit Operational Capacity Project, in accordance with Section 15.D of Ordinance 19154.

D. Refunding and Redemption of Refunded Bonds.

1. **Refunding Plan.** In accordance with Section 14 of Ordinance 18376, the Finance Director has determined, in consultation with the county's financial advisor, that \$73,318,865.65 of the proceeds of the 2020B Bonds plus other cash on hand will be used to refund the Limited Tax General Obligation Bonds, 2011, Series D identified in Attachment D-2 (the "Refunded 2011 Bonds"), the Limited Tax General Obligation Bonds, 2012, Series B, identified in Attachment D-2 (the "Refunded 2012 Bonds"), the Limited Tax General Obligation Bonds, 2013, identified in Attachment D-2 (the "Refunded 2013 Bonds"), the Limited Tax General Obligation Refunding Bonds, 2014, Series A, identified in Attachment D-2 (the "Refunded 2014A Bonds"), and the Limited Tax General Obligation Bonds, 2014, Series B, identified in Attachment D-2 (the "Refunded 2014B Bonds" and, collectively with the Refunded 2011 Bonds, the Refunded 2012 Bonds, the Refunded 2013 Bonds, and the Refunded 2014A Bonds, the "Refunded Bonds") pursuant to

the Refunding Plan, which is ratified and confirmed hereby, and \$721,134.35 of the proceeds shall be used to pay the underwriter's discount and other costs of issuance for the 2020B Bonds.

As provided in Section 14 of Ordinance 18376, the King County Limited Tax General Obligation Bond Refunding Account 2020B (the "Refunding Account") will be established and maintained with U.S. Bank National Association (the "Refunding Trustee"). A portion of the 2020B Bonds will be irrevocably deposited with the Refunding Trustee in the Refunding Account and used, together with other funds of the county, if necessary, to carry out the Refunding Plan.

The appointment of U.S. Bank National Association as Refunding Trustee is hereby ratified and confirmed. In accordance with Section 14 of Ordinance 18376, the Finance Director is authorized and directed to enter into the Refunding Trust Agreement in a form approved by the county's bond counsel.

The proceeds of the 2020B Bonds and other money of the county remaining in the Refunding Account after providing for the necessary beginning cash balance will be utilized to pay expenses of the Refunding Trustee and other costs of issuing the 2020B Bonds. Payments of the costs of issuing the 2020A Bonds and the 2020B Bonds may be provided for in the Refunding Trust Agreement or in a separate agreement, as the Finance Director may determine.

2. The county may, from time to time, transfer, or cause to be transferred, from the Refunding Account any money not thereafter required to carry out the Refunding Plan, subject to the provisions of the Refunding Trust Agreement, or if not therein provided then subject to verification in writing by an independent certified public accountant that the transfer will not result in inadequate funds being available to make the required payments therefrom.

3. The county hereby irrevocably sets aside sufficient money to carry out the Refunding Plan. The county hereby calls the Refunded 2011 Bonds for redemption on December 1, 2021, calls the Refunded 2012 Bonds for redemption on March 1, 2022, calls the Refunded 2013 Bonds for redemption on June 1, 2023, calls the Refunded 2014A Bonds for redemption on June 1, 2024, and calls the Refunded 2014B

Bonds for redemption on June 1, 2024.

Each such call for redemption of the Refunded Bonds will be irrevocable after the final establishment of the Refunding Account and delivery of the requisite money to the Refunding Trustee.

The Refunding Trustee is hereby authorized and directed to notify the fiscal agent of the state of Washington, currently, U.S. Bank National Association, to give notice of the defeasance and redemption of the Refunded Bonds in accordance with the applicable provisions of the ordinances authorizing their issuance. The Finance Director is authorized and requested to provide whatever assistance is necessary to accomplish the defeasance and redemption and the giving of notices thereof. The costs of publication of the notices will be an expense of the county.

The Refunding Trustee is hereby authorized and directed to pay to the fiscal agent of the state of Washington money sufficient to carry out the Refunding Plan. All such money will be paid from the money deposited with the Refunding Trustee in the Refunding Account. All money deposited with the Refunding Trustee and any income therefrom will be held and applied in accordance with the provisions of the Ordinance, the Refunding Trust Agreement and the laws of the state of Washington for the benefit of the county and the registered owners of the applicable Refunded Bonds.

4. The county council hereby finds and determines that the issuance and sale of the 2020B Bonds at this time will effect debt service savings and that the savings are in the best interest of the county and its taxpayers. In making this finding and determination, the county council has given consideration to the interest on and the fixed maturities of the 2020B Bonds and the Refunded Bonds and the costs of issuance of the 2020B Bonds and the known earned income from the investment of the proceeds of the sale of the 2020B Bonds pending redemption and payment of the Refunded Bonds.

The county council hereby further finds and determines that the money to be deposited with the Refunding Trustee will be sufficient to defease and redeem the Refunded Bonds and will discharge and satisfy the obligations of the county with respect to the Refunded Bonds under the ordinances authorizing their

issuance and the pledges of the county herein. Immediately upon the deposit of such money with the Refunding Trustee, the Refunded Bonds will be deemed not to be outstanding under the ordinances authorizing their issuance and will cease to be entitled to any lien, benefit or security under those ordinances except the right to receive payment from the money and Acquired Obligations so set aside and pledged.

E. **Designation as Refunding Candidates.** The 2020A Bonds and the 2020B Bonds are hereby designated as "Refunding Candidates" for purposes of ordinances of the county authorizing the issuance of bonds to refund outstanding obligations of the county.

F. **Undertaking to Provide Ongoing Disclosure.** In accordance with Section 12 of Ordinance 19154 and Section 11 of Ordinance 18376, 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.

G. **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.

H. **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.