



Legislation Text

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

PREAMBLE:

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

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

Ordinance 17794 further provides that if the completion of all or any of the Projects is found to be inadvisable or impractical, the county may apply any remaining proceeds of the Bonds, or any portion thereof, to the acquisition or improvement of other county capital projects as the county council in its discretion may determine.

Pursuant to Motion 14143, the county authorized the sale of the 2014B Bonds as a single series of Tax-Exempt Obligations pursuant to Ordinance 17794 in the original aggregate amount of

\$15,395,000.

On the Date of Issue, the county intended to allocate a portion of the proceeds of the 2014B Bonds to reimburse itself for capital expenditures made prior to the Date of Issue in connection with the acquisition of the Tall Chief Golf Course pursuant to the Tall Chief Acquisition Project. Subsequent to the Date of Issue, the county determined to sell the Tall Chief Golf Course in a transaction that would result in its private business use.

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

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

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

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

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

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

"Bond Sale Motion" means a motion of the council adopted at the time of sale of each series of the

Bonds that establishes, with respect thereto, the following, among other things: the year and, if applicable, a series designation, dates, principal amounts and maturity dates, the interest rates and interest payment dates, and the redemption provisions therefor.

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

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

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

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

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

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

"Finance Director" means the director of the finance and business operations division of the department

of executive services of the county or any other county officer who succeeds to the duties now delegated to that office or the designee of such officer.

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

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

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

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

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

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

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

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

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

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

production.

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

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

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

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

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

B. There is hereby created the "2014 G.O. Bonds - WLD Subfund" within the Conservation Futures Levy Fund. This subfund shall be a first tier fund managed by the director of the water and land resources division of the department of natural resources and parks of the county. The exact amount of proceeds from the sale of any series of the Bonds to be deposited into the 2014 G.O. Bonds - WLD Subfund (~~((to provide long-term financing for all or part of the capital costs of the Tall Chief Acquisition Project))~~) shall be determined by the Finance Director upon the sale of such series of the Bonds. Such proceeds shall be allocated to provide long-term financing for all or part of the capital costs of the Conservation Futures Projects. No proceeds of the Bonds shall be allocated to provide long-term financing for all or part of the capital costs of the Tall Chief Acquisition Project.