

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

NOTICE OF INTRODUCTION OF ORDINANCE
AND
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN, that the Snohomish County Council will hold a public hearing on Wednesday, October 20, 2021, at the hour of 10:30 a.m. at 3000 Rockefeller Avenue, 8th Floor, Jackson Board Room, Everett, WA, to consider Proposed Ordinance 21-078. A summary is as follows:

Note: Due to current COVID-19 restrictions, Snohomish County Council is currently holding its public meetings remote only and will hold in-person meetings in conjunction with a remote meeting platform when restrictions and conditions change. Please check the Council webpage 24 hours prior to the scheduled hearing time for the most up-to-date information <https://snohomishcountywa.gov/2288/Meetings-Webcasts>, or contact the Council Clerk at 425-388-3494 or at contact.council@snoco.org.

Zoom Webinar link: <https://zoom.us/j/94846850772>
Dial in: (253) 215 8782 or (301) 715 8592
Meeting ID: 948 4685 0772

PROPOSED ORDINANCE NO. 21-078

AUTHORIZING THE ISSUANCE AND SALE OF TAX-EXEMPT LIMITED TAX GENERAL OBLIGATION BONDS OF THE COUNTY IN AN ORIGINAL PRINCIPAL AMOUNT NOT TO EXCEED \$40,000,000 TO REFUND A PORTION OF THE COUNTY'S LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2011, SERIES B; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF SALE OF THE BONDS; ESTABLISHING FUNDS FOR THE RECEIPT AND EXPENDITURE OF BOND PROCEEDS AND FOR THE PAYMENT OF THE BONDS; AND PROVIDING FOR THE ANNUAL LEVY OF TAXES TO PAY THE PRINCIPAL THEREOF AND INTEREST THEREON

Section 1. Definitions. Defines terms used in the ordinance.

Section 2. Findings. Makes findings that: (a) the refunding of a portion of the County's outstanding Limited Tax General Obligation Refunding Bonds, 2011, Series B (the "Refunded 2011B Bonds") as identified in and pursuant to a refunding plan set forth in the hereinafter described Sale Instrument (the "Refunding Plan") will effect a debt service savings to the County; and (b) the issuance and sale of tax-exempt limited tax general obligation bonds of the County (the "Bonds"), payable from regular property taxes or other revenues, taxes and money of the County legally available for such purposes, to undertake the Refunding Plan are in the best interests of the County and its citizens.

Section 3. Purpose, Authorization and Description of Bonds. Authorizes issuance of the Bonds to obtain financing to undertake the Refunding Plan and provides that the County may sell the Bonds as either a separate series or as Combined Bonds. Provides that (a) if the Bonds are sold as a separate series, the Bonds will be designated "Snohomish County, Washington, Limited Tax General Obligation Refunding Bonds, 2021," with an applicable series designation, in an original principal amount not to exceed \$40,000,000, and (b) if the Bonds are sold as Combined Bonds with other bonds of the County that are not refunding bonds, the Bonds and such other bonds comprising the Combined Bonds will be designated "Snohomish County, Washington, Limited Tax General Obligation and Refunding Bonds, 2021," with an applicable series designation, all as established by (i) if the Bonds are sold by negotiated sale, the purchase contract therefor, or (ii) if the Bonds are sold by competitive bid, the notice of sale, the winning bid and a notice of acceptance of bid from the Finance Director (each, a "Sale instrument"). Provides that the Bonds will be dated as of such date, will mature on June 1 or December 1 in each of the years and in the principal amounts, will bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their date or the most recent interest payment date to which interest has been paid or duly provided for, whichever is later, at the rates and payable,

commencing not later than June 1, 2022, and on June 1 and December 1 in the years, will be subject to optional and mandatory redemption before maturity at the prices, in the amounts and in the manner, and will be subject to the other terms and provisions as the County will establish by the Sale Instrument. Provides that the Bonds will be fully registered as to both principal and interest, and will initially be held in fully immobilized form by The Depository Trust Company acting as depository pursuant to a book-entry only system. Provides for Bond payment procedures, provides for the form of Bonds, and provides for the execution and authentication of the Bonds.

Section 4. Open Market Purchase. Reserves to the County the right to purchase any or all of the Bonds on the open market at any time and at any price.

Section 5. Registration, Transfer and Exchange of Bonds. Provides for the registration of registered ownership of the Bonds, and prescribes procedures for exchanges and transfers of the Bonds.

Section 6. Mutilated, Lost, Stolen or Destroyed Bonds. Provides procedures for replacement of mutilated, lost, stolen or destroyed Bonds.

Section 7. Pledge of Taxation and Credit. Provides the County's irrevocable covenant and agreement that, for as long as any of the Bonds are outstanding and unpaid, each year it will include in its budget and levy an *ad valorem* tax upon all the property within the County subject to taxation in an amount that will be sufficient, together with all other revenues and money of the County legally available for such purposes, to pay the principal of and interest on the Bonds as the same will become due. Provides the irrevocable pledge of the County that the annual tax provided for in the ordinance to be levied for the payment of such principal and interest will be within and as a part of the tax levy permitted to counties without a vote of the people, and that a sufficient portion of the taxes to be levied and collected annually by the County prior to the full payment of the principal and interest on the Bonds will be irrevocably set aside, pledged and appropriated for the payment of the principal and interest on the Bonds. Provides the irrevocable pledge of the full faith, credit and resources of the County for the annual levy and collection of said taxes and for the prompt payment of the principal of and interest on the Bonds.

Section 8. Federal Tax Law Covenants. Provides the County's covenants with respect to the Bonds that: (a) it will not make any use of the proceeds from the sale of the Bonds (or of any other funds of the County that may be deemed to be proceeds of the Bonds under section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder) that will cause the Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code and said regulations; and (b) it will not take any action or permit any action to be taken that would cause the Bonds to constitute "private activity bonds" that are not "qualified bonds" within the meaning of section 141 of the Code. Provides that the County will comply with the applicable requirements of section 148 of the Code (or any successor provision thereof applicable to the Bonds) and the applicable regulations thereunder throughout the term of the Bonds. In particular, the County will compute, if necessary, and pay the rebate amount, if any, to the United States of America at the times and in the amounts necessary to meet the requirements of the Code.

Section 9. Other Covenants and Warranties. Provides the following additional covenants and warranties of the County to the owners of the Bonds: that the County has full legal right, power and authority to enact the ordinance and, as of the date of issue of the Bonds, will have full legal right, power and authority to sell, issue and deliver the Bonds and to carry out and consummate all other transactions contemplated by the ordinance; that, as of the date of issue of the Bonds, the County will have taken all necessary official action to duly authorize and approve the execution and delivery of, and the performance by the County of its obligations contained in, the Bonds and the ordinance and the consummation by it of all other transactions necessary to effectuate the ordinance in connection with the issuance of the Bonds, and those authorizations and approvals will be in full force and effect and will not have been amended, modified or supplemented in any material respect; that the ordinance, when effective, will be a legal, valid and binding obligation of the County; that the Bonds, when issued, sold, authenticated and delivered, will be legal, valid and binding general obligations of

the County; that the County will maintain or cause to be maintained a system of registration of the Bonds that complies with the applicable provisions of the Code until all Bonds have been surrendered and canceled; that the County's enactment of and compliance with the ordinance will not conflict with, constitute a breach of, or constitute a default under, any constitutional provisions, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, ordinance, motion, agreement or other instrument to which the County is a party or to which the County or any of its property or assets are otherwise subject; and that the Bonds will be issued within all statutory and constitutional debt limitations applicable to the County.

Section 10. Sale of Bonds. Authorizes the public sale of the Bonds either separately or as Combined Bonds, as determined by the Finance Director in consultation with the County's municipal advisor. Provides sale parameters for the Bonds, and authorizes the Finance Director to execute a Sale Instrument on behalf of the County for the Bonds in accordance with the terms of the ordinance. Authorizes the Finance Director to determine, in consultation with the County's municipal advisor, whether the Bonds will be sold by negotiated sale or competitive bid. Provides that, if the Bonds are sold by negotiated sale, the purchase contract for the Bonds will establish the date, aggregate principal amount, interest payment dates, interest rate(s), maturity schedule and principal amounts per maturity, redemption provisions and delivery date of the Bonds. Authorizes the Finance Director (a) to serve as the County's designated representative; (b) to accept, on behalf of the County, the offer to purchase the Bonds pursuant to the purchase contract, which offer must be consistent with the terms of the ordinance; and (c) to execute and deliver the purchase contract for and on behalf of the County. Alternatively, the Finance Director is authorized to prepare and publish an official notice of bond sale if the Bonds are to be sold by competitive bid, which notice will establish the date, estimated aggregate principal amount, interest payment dates, estimated maturity schedule and principal amount per maturity, redemption provisions and estimated delivery date of the Bonds. Authorizes the Finance Director to determine the winning bid to purchase the Bonds, and (i) to serve as the County's designated representative; (ii) to accept, on behalf of the County, the winning bid to purchase the Bonds, which bid may be adjusted with respect to the aggregate principal amount and principal amount per maturity as reflected in the written notice of acceptance of winning bid, and which must be consistent with the terms of the ordinance; and (iii) to execute and deliver the notice of acceptance for and on behalf of the County. Requires the Finance Director to provide a copy of either the executed purchase contract or notice of acceptance, as applicable, and report the results of the Bond sale to the County Council at its administrative session next following the sale date of the Bonds.

Section 11. Delivery of the Bonds. Provides for the preparation, execution and delivery of the Bonds to the purchaser thereof.

Section 12. Bond Fund. Authorizes the creation of a "Limited Tax General Obligation [and]Refunding Bond Redemption Account, 2021[, Series __] (Tax-Exempt)" for the Bonds in the County's Limited Tax General Obligation Debt Service Fund, to be drawn upon for the purpose of paying principal of and interest on the Bonds and into which the taxes levied for the purpose of paying principal of and interest on the Bonds and other funds to be used to pay the Bonds will be deposited.

Section 13. Refunding Plan. Authorizes the Finance Director to appoint an escrow agent and to execute and deliver an escrow agreement to accomplish the Refunding Plan. Authorizes the creation of a "Snohomish County Limited Tax General Obligation Bonds, 2011B, Tax-Exempt Refunding Fund" (the "Refunding Fund"), consisting of a 2011B Escrow Account and an Issuance Costs Account, to be maintained with the escrow agent. Provides that proceeds from the sale of the Bonds, and any other funds of the County to be applied to the Refunding Plan and paying the costs of issuing the Bonds, shall be deposited into the appropriate accounts of the Refunding Fund and used to pay (a) the principal of and interest on the Refunded 2011B Bonds due on the date set for redemption of the Refunded 2011B Bonds (the "Refunded 2011B Bond Redemption Price"), and (b) costs of issuing the Bonds. Further provides that the County shall cause the escrow agent to use the money in the 2011B Escrow Account to purchase certain noncallable "Government Obligations" (as defined in chapter 39.53 RCW) that, together with any necessary initial cash balance, shall be sufficient to pay the Refunded 2011B Bond Redemption

Price. Alternatively, the County may cause the escrow agent to hold all the money in the 2011B Escrow Account uninvested.

Section 14. Investment of and Accounting for Funds. Provides for the investment of funds deposited in the funds and accounts described in sections 12 and 13 of the ordinance as permitted by law for the sole benefit of the respective funds; and permits the County to deposit money other than proceeds of the Bonds in the funds and accounts described in section 13 of the ordinance, so long as the proceeds of the Bonds, and the earnings thereon, are accounted for separately for purposes of the arbitrage rebate computations required to be made under the Code. For purposes of those computations, Bond proceeds will be deemed to have been spent first, then any other funds.

Section 15. Preliminary Official Statement and Final Official Statement. Authorizes and directs the Finance Director to review, approve and deem final the preliminary official statement for the Bonds and, following the sale of the Bonds, to review and approve, on behalf of the County, the final official statement for the Bonds. Provides for the distribution of such preliminary official statement and the delivery of the final official statement.

Section 16. Undertaking to Provide Ongoing Disclosure. Authorizes and directs the Finance Director to enter into a written undertaking for the benefit of owners and beneficial owners of the Bonds to the extent required by paragraph (b)(5) of Rule 15c2-12 of the U.S. Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended, as applicable to a participating underwriter for the Bonds.

Section 17. General Authorization. Authorizes and directs the Finance Director and other appropriate County officials, agents and representatives to do everything necessary for the prompt sale, issuance, execution and delivery of the Bonds, and for the proper use and application of the proceeds of the sale thereof.

Section 18. Refunding or Defeasance of the Bonds. Establishes that the County may issue refunding obligations or use other money available to redeem and retire, refund or defease part or all of the Bonds, and provides a defeasance method by which such Bonds may be considered no longer outstanding and no longer entitled to any lien, benefit or security of the ordinance except the right to receive the money and Government Obligations set aside in trust and pledged to provide for the payment of such Bonds.

Section 19. Contract; Severability. Provides that the covenants contained in the ordinance constitute a contract between the County and the owners of each and every Bond, and that, if any provision of the ordinance is held invalid, the remainder of the ordinance is not affected.

At the hearing, Council may consider alternatives/amendments to the proposed ordinance.

Where to Get Copies of the Proposed Ordinance: Copies of the full ordinance and related documentation are available upon request by calling the Snohomish County Council Office at (425) 388-3494, 1-800-562-4367 x3494, TDD 1-800-877-8339, or by e-mailing Contact.Council@snoco.org.

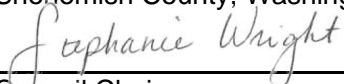
Website Access: The proposed ordinance is also available on the County Council's website at <https://snohomishcountywa.gov/2134/Council-Hearings-Calendar>.

Public Testimony: All interested persons may testify concerning the above described matter at the time and place indicated above or by remote participation in the meeting. Written testimony is encouraged and may be sent to Snohomish County Council, 3000 Rockefeller Avenue, M/S 609, Everett, WA 98201, faxed to 425 388-3496, or e-mailed to contact.council@snoco.org. Submitting testimony 24 hours prior to the hearing will ensure copies are provided to Council and appropriate staff in advance of the hearing. (Note: All public testimony are public records and may be subject to disclosure pursuant to RCW Chapter 42.56. Any contact information provided will be available to the public on the Council's website.)

American Disabilities Act Notice: Accommodations for persons with disabilities are available upon request. Please make arrangements one week prior to the hearing by calling Elena Lao at 425-388-3494, 1-800-562-4367 x3494, TDD 1-800-877-8339, or e-mail elena.lao@snoco.org.

Dated this 30th day of September, 2021.

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington



Council Chair

ATTEST:



Asst. Clerk of the Council

Publish: October 6, 2021

SUBMIT AFFIDAVIT TO: Council
SUBMIT INVOICE TO: 21200 – Budget & Finance