

1 SNOHOMISH COUNTY COUNCIL
2 Snohomish County, Washington

3
4 ORDINANCE NO. 24-070

5
6 AUTHORIZING THE ISSUANCE AND SALE OF A TAXABLE LIMITED TAX GENERAL
7 OBLIGATION BOND OF THE COUNTY IN AN ORIGINAL PRINCIPAL AMOUNT OF
8 \$8,951,566 TO OBTAIN FINANCING FOR THE AIRPORT INNER TERMINAL RAMP
9 RECONSTRUCTION PROJECT; PROVIDING FOR THE DISPOSITION OF THE
10 PROCEEDS OF SALE OF THE BOND; ESTABLISHING FUNDS FOR THE RECEIPT
11 AND EXPENDITURE OF BOND PROCEEDS AND FOR THE PAYMENT OF THE
12 BOND; AND PROVIDING FOR THE ANNUAL LEVY OF TAXES TO PAY THE
13 PRINCIPAL THEREOF AND INTEREST THEREON
14

15 WHEREAS, it is deemed necessary and advisable that the County authorize the
16 issuance and sale of its taxable limited tax general obligation Bond in an original
17 principal amount of \$8,951,566 to obtain financing for the Airport Inner Terminal Ramp
18 Reconstruction Project (as defined in section 1); and
19

20 WHEREAS, the Purchaser has offered to purchase such bond upon the terms
21 and conditions hereinafter set forth;
22

23 NOW, THEREFORE, BE IT ORDAINED:
24

25 Section 1. **Definitions.** The following capitalized words and terms as used in
26 this ordinance have the following meanings for all purposes of this ordinance (including
27 the recitals hereto), unless some other meaning is plainly intended:
28

29 (1) "Airport Inner Terminal Ramp Reconstruction Project" or the "Project" means
30 the capital project previously undertaken, or underway, to reconstruct an "Inner
31 Terminal Ramp" located airside directly in front of the passenger terminal area at
32 Snohomish County Airport owned by the County.
33

34 (2) "Bond Fund" means the bond redemption account established for the
35 payment of the Bond as described under section 11 of this ordinance.
36

37 (3) "Bond" means the limited tax general obligation bond of the County in an
38 original principal amount of \$8,951,566, authorized to be issued by this ordinance to
39 obtain financing for the Airport Inner Terminal Ramp Reconstruction Project.
40

41 (4) "County" means Snohomish County, Washington.
42

43 (5) "County Council" means the Snohomish County Council.
44

1 (6) "Date of Issue" means the date on which the Bond is issued and delivered to
2 the purchaser in return for payment of the purchase price therefor, which shall be
3 October 1, 2024.
4

5 (7) "Finance Director" means the director of the County Finance Department or
6 any other County officer who succeeds to the duties now delegated to that office.
7

8 (8) "Government Obligations" means "government obligations," as defined in
9 chapter 39.53 RCW, as now in existence or amended after the effective date of this
10 ordinance.
11

12 (9) "Owner" means the person named as the registered owner of the Bond on
13 the Register.
14

15 (10) "Purchase Offer" means the County's written offer to purchase the Bond
16 attached hereto as Exhibit A and incorporated herein by this reference.
17

18 (11) "Purchaser" means the County, through its Snohomish County Investment
19 Pool.
20

21 (12) "Record Date" means, for an interest or principal payment date with respect
22 to the Bond, the business day next preceding that date.
23

24 (13) "Register" means the registration books maintained by the Registrar for
25 purposes of identifying ownership of the Bond.
26

27 (14) "Registrar" means, initially, the fiscal agent of the State of Washington,
28 whose duties include registering and authenticating the Bond, maintaining the Bond
29 Register, transferring ownership of the Bond, and paying the principal of and interest on
30 the Bond and shall include any successor institution appointed as Registrar by the
31 Treasurer pursuant to RCW 39.46.030.
32

33 (15) "Treasurer" means the County Treasurer.
34

35 Section 2. **Findings.** The County Council makes the following findings:
36

37 (1) The Project will contribute to the health, safety and welfare of the citizens of
38 the County.
39

40 (2) The issuance and sale of a taxable limited tax general obligation Bond of the
41 County, payable from regular property taxes or other revenues, taxes and money of the
42 County legally available for such purposes, to obtain financing for the Project are in the
43 best interests of the County and its citizens.
44

45 Section 3. **Airport Inner Terminal Ramp Reconstruction Project.** The
46 County owns the Snohomish County Airport, commonly known as "Paine Field." The

1 County Council has previously authorized, and the County has undertaken and made
2 capital expenditures for, the Project. The Project will include reimbursement of such
3 capital expenditures of the Project, including, as applicable, the purchase of materials,
4 supplies, appliances, equipment and facilities, and the permits, franchises, property and
5 property rights and administrative costs, necessary, incidental or convenient to effect
6 the implementation of the Project. The Project will also include the incidental costs and
7 costs related to the sale and issuance of the Bond.

8
9 **Section 4. Purpose, Authorization and Description of Bond.**

10
11 (1) Purpose and Authorization of Bond. The County authorizes the issuance of
12 the Bond to obtain financing for the Project.

13
14 (2) Description of Bond.

15
16 (a) The Bond, designated as the “Snohomish County, Washington,
17 Limited Tax General Obligation Bond, 2024 (Taxable),” and will be issued as a
18 single fully registered bond in an original principal amount of \$8,951,566.

19
20 (b) The Bond will be dated as of its date, which shall be October 1, 2024,
21 and will mature on September 30, 2029. Unless prepaid as described below,
22 principal of the Bond shall be paid on the Maturity Date. The Bond will bear
23 interest at a fixed rate of 4.25% per annum (computed on the basis of a 360-day
24 year of twelve 30-day months) from its date or the most recent interest payment
25 date to which interest has been paid or provided for, whichever is later, payable
26 on each June 1 and December 1, commencing on June 1, 2025. The Bond will
27 be subject to prepayment before maturity at the option of the County, in whole or
28 in part, without penalty or premium, annually on each December 1, commencing
29 December 1, 2025, upon ten (10) days’ prior written notice from the Finance
30 Director, on behalf of the County, to the Owner, which written notice shall include
31 the amount to be prepaid with a minimum of \$500,000, unless the outstanding
32 balance of the Bond is less than \$500,000, in which case the outstanding
33 balance shall be paid in full.

34
35 (3) Place, Manner and Medium of Payment. Both principal of and interest on the
36 Bond will be payable in lawful money of the United States of America. The principal of
37 and interest on the Bond shall be paid by wire transfer by the Registrar on each interest
38 payment, principal payment, maturity or prepayment date to the account of the person
39 who is named as the Owner of the Bond on the Register. Final payment of the principal
40 of the Bond, including any prepayment in whole, shall be made by the Registrar to the
41 person who is named as the Owner of the Bond on the Register only upon presentment
42 and surrender of the Bond by the Owner to the Registrar.

43
44 (4) Sale of Bond. The Purchaser has offered to purchase the Bond pursuant to
45 the terms and conditions provided in the Purchase Offer. The County finds that entering
46 into the Purchase Offer is in the best interests of the County, and therefore accepts the

1 Purchase Offer and authorizes and directs the execution of the Purchase Offer on
2 behalf of the County by the Finance Director.

3
4 (5) Form of Bond. The Bond shall be word processed, printed or lithographed
5 on good bond paper in a form consistent with this ordinance and Washington state law.
6

7 (6) Execution and Authentication of Bond. The Bond will be executed on behalf
8 of the County with the manual or facsimile signatures of the County Executive and the
9 Clerk of the County Council, and will have the seal of the County impressed or imprinted
10 thereon.
11

12 If any officer who has executed the Bond ceases to be an officer of the County
13 authorized to sign the Bond before the Bond bearing that person's signature is delivered
14 by the Registrar or issued by the County, the Bond may nevertheless be issued and
15 delivered and, when issued and delivered, will be as binding upon the County as though
16 that person had continued to be an officer of the County authorized to sign the Bond.
17 The Bond also may be signed on behalf of the County by any person who, on the actual
18 date of signing of the Bond, is an officer of the County authorized to sign the Bond,
19 although that person did not hold the required office on the date of issuance of the
20 Bond.
21

22 Only a Bond bearing a Certificate of Authentication, manually executed by the
23 Registrar, will be valid or obligatory for any purpose or entitled to the benefits of this
24 ordinance. The Certificate of Authentication will be conclusive evidence that the Bond
25 so authenticated has been executed, authenticated and delivered hereunder and are
26 entitled to the benefits of this ordinance.
27

28 **Section 5. Delivery of Bond.** Following the sale of the Bond, the Finance
29 Director is authorized and directed (a) to approve and/or execute all documents
30 necessary to complete the issuance and delivery of the Bond to the Purchaser; and
31 (b) to do everything necessary for (1) the preparation and delivery of a transcript of
32 proceedings pertaining to the Bond, and (2) the preparation, execution and delivery of
33 the definitive Bond to the Purchaser, each without unreasonable delay.
34

35 **Section 6. Registration and Transfer of Bond.** The County adopts for the
36 Bonds the system of registration specified and approved by the Washington State
37 Finance Committee. The Registrar shall keep, or cause to be kept, at its office,
38 sufficient books for the registration and transfer of the Bond, which will at all times be
39 open to inspection by the County. The Register shall contain the name and mailing
40 address of the Owner (or nominee thereof) of the Bond.
41

42 The Registrar will be responsible for its representations contained in the
43 Certificate of Authentication on the Bond. The Registrar may become the owner of
44 Bond with the same rights it would have if it were not the Registrar.
45

1 The registered ownership of the Bond may be transferred upon surrender of the
2 Bond certificate to the Registrar, with the assignment form appearing thereon duly
3 executed by the Owner or such Owner's duly authorized agent, in a manner satisfactory
4 to the Registrar. Upon such surrender, the Registrar shall cancel the surrendered Bond
5 certificate and shall authenticate and deliver, without charge to the Owner or transferee
6 therefor (other than any governmental fees or taxes payable on account of such
7 transfer), a new Bond certificate, naming as new Owner the person or persons identified
8 as the assignee or transferee on the assignment form appearing on the surrendered
9 Bond certificate, in exchange for such surrendered and cancelled Bond.

10
11 The County as issuer of the Bond and as the Registrar, in its discretion, may
12 deem and treat the Owner of the Bond as the absolute owner thereof for all purposes,
13 and shall not be affected by any notice to the contrary.

14
15 Section 7. **Mutilated, Lost, Stolen or Destroyed Bond.** If the Bond shall
16 become mutilated, the County shall issue and the Registrar may authenticate and
17 deliver a new Bond of the same interest rate, for the same principal amount, and of like
18 tenor and effect in substitution therefor, all in accordance with law, upon the Owner's
19 paying the expenses and charges of the County and the Registrar in connection
20 therewith and upon surrender to the Registrar of the mutilated Bond. The mutilated
21 Bond so surrendered shall be canceled and destroyed by the Registrar.

22
23 If the Bond shall be lost, stolen or destroyed, the County may issue and the
24 Registrar may authenticate and deliver a new Bond of the same interest rate and for the
25 same principal amount, to the Owner thereof upon the Owner's paying the expenses
26 and charges of the County and the Registrar in connection therewith and upon its filing
27 with the Registrar evidence satisfactory to the Registrar that the Bond was actually lost,
28 stolen or destroyed and of its ownership thereof, and upon furnishing the County and
29 the Registrar with indemnity satisfactory to the Finance Director and the Registrar.

30
31 Section 8. **Pledge of Taxation and Credit.** The County irrevocably
32 covenants and agrees that, unless the principal of and interest on the Bond are paid
33 from other sources, for as long as the Bond is outstanding and unpaid, each year it will
34 include in its budget and levy an *ad valorem* tax upon all the property within the County
35 subject to taxation in an amount that will be sufficient, together with all other revenues
36 and money of the County legally available for such purposes, to pay the principal of and
37 interest on the Bond as the same will become due.

38
39 The County irrevocably pledges that the annual tax provided for in this ordinance
40 to be levied for the payment of such principal and interest will be within and as a part of
41 the tax levy permitted to counties without a vote of the people, and that a sufficient
42 portion of the taxes to be levied and collected annually by the County prior to the full
43 payment of the principal of and interest on the Bond will be and is irrevocably set aside,
44 pledged and appropriated for the payment of the principal of and interest on the Bond.

1 The full faith, credit and resources of the County are irrevocably pledged for the
2 annual levy and collection of said taxes and for the prompt payment of the principal of
3 and interest on the Bond as the same will become due.
4

5 Section 9. **Other Covenants and Warranties.** The County makes the
6 following additional covenants with and warranties to the Owner of the Bond:
7

8 (1) The County has full legal right, power and authority to enact this ordinance,
9 and as of the Date of Issue, will have full legal right, power and authority to sell, issue
10 and deliver the Bond as provided in this ordinance and to carry out and consummate all
11 other transactions contemplated by this ordinance.
12

13 (2) As of the Date of Issue, by all necessary official action, the County will have
14 authorized and approved the execution and delivery of, and the performance by the
15 County of its obligations contained in, the Bond and this ordinance and the
16 consummation by it of all other transactions necessary to effectuate this ordinance in
17 connection with the issuance of the Bond, and these authorizations and approvals will
18 be in full force and effect and will not have been amended, modified or supplemented in
19 any material respect.
20

21 (3) This ordinance, when effective, will be a legal, valid and binding obligation of
22 the County.
23

24 (4) When issued, sold, authenticated and delivered as provided in this
25 ordinance, the Bond will be legal, valid and binding general obligation of the County.
26

27 (5) The County will maintain or cause to be maintained a system of registration
28 of the Bond until the Bond has been surrendered and canceled.
29

30 (6) The enactment of this ordinance, and compliance on the County's part with
31 the provisions contained herein, will not conflict with, constitute a breach of, or
32 constitute a default under, any constitutional provisions, law, administrative regulation,
33 judgment, decree, loan agreement, indenture, bond, note, resolution, ordinance, motion,
34 agreement or other instrument to which the County is a party or to which the County or
35 any of its property or assets are otherwise subject.
36

37 (7) The Bond will be issued within all statutory and constitutional debt limitations
38 applicable to the County.
39

40 Section 10. **Sources of Payment.** Prior to the effective date of this ordinance,
41 the County created its Airport Operations and Maintenance Fund to be used to account
42 for the operations, capital improvements, and debt service of the county airport. The
43 Finance Director is authorized to create within that fund a special account for the Bond
44 to be known as the "Bond Redemption Account, 2024" (the "Bond Fund").
45

1 The County will segregate funds in the Bond Fund no later than the date funds
2 are required for the payment of principal of and interest on the Bond. The funds in the
3 Bond Fund will be drawn upon solely for the purpose of paying the principal of and
4 interest on the Bond. Money in the Bond Fund not needed to pay the interest or
5 principal next coming due may temporarily be deposited in institutions or invested in
6 obligations as may be lawful for the investment of County funds.
7

8 In the event that the funds segregated in the Bond Fund are insufficient for the
9 payment of principal of or interest on the Bond when due, the County will make up the
10 difference using any funds of the County available for that purpose.
11

12 Section 11. **Deposit of Bond Proceeds.** The proceeds from the sale of the
13 Bond to be deposited into the Airport Operations and Maintenance Fund to finance the
14 Project.
15

16 Section 12. **Investment of and Accounting for Funds.** Funds deposited in
17 the funds and accounts described in sections 10 and 11 of this ordinance will be
18 invested as permitted by law for the sole benefit of the respective funds. In addition to
19 proceeds of the Bond, the County may deposit other money in the fund described in
20 section 11 of this ordinance.
21

22 Section 13. **General Authorization.** The Finance Director and other
23 appropriate County officials, agents and representatives are authorized and directed to
24 do everything necessary for the prompt sale, issuance, execution and delivery of the
25 Bond, and for the proper use and application of the proceeds of the sale thereof.
26

27 Section 14. **Refunding or Defeasance of Bond.** The County may issue
28 refunding obligations pursuant to the laws of the state of Washington or use money
29 available from any other lawful source to pay when due the principal of and interest on
30 the Bond, or any portion thereof included in a refunding or defeasance plan, and to
31 redeem and retire, refund or defease all or part of the Bond and to pay the costs of the
32 refunding or defeasance.
33

34 If either money or noncallable Government Obligations, or both, maturing at such
35 time or times and bearing interest to be earned thereon in amounts (together with such
36 money, if necessary) sufficient to redeem and retire, refund or defease part or all of the
37 Bond in accordance with its terms, are set aside in a special account of the County to
38 effect such redemption and retirement, and such money and the principal of and interest
39 on the Government Obligations are irrevocably set aside and pledged for those
40 purposes, then no further payments need be made into the Bond Fund for the payment
41 of the principal of and interest on the Bond so provided for, and such Bond will cease to
42 be entitled to any lien, benefit or security of this ordinance with respect to such
43 payments except the right to receive the money so set aside and pledged, and such
44 payments will be deemed not to be outstanding hereunder.
45

1 Section 15. **Contract; Severability.** The covenants contained in this ordinance
2 are a contract between the County and the Owner of the Bond. If any provision of this
3 ordinance or its application to any person or circumstance is held invalid, the remainder
4 of the ordinance or the application of the provision to other persons or circumstances is
5 not affected.

6
7 PASSED this ___ day of _____, 2024.

8
9 SNOHOMISH COUNTY COUNCIL
10 Snohomish County, Washington

11
12
13 _____
14 Council Chair

15
16 ATTEST:

17
18
19 _____
20 Deputy Clerk of the Council

- 21
22 () APPROVED
23 () EMERGENCY
24 () VETOED

25
26 DATE: _____
27

28
29 _____
30 County Executive

31
32 ATTEST:

33
34 _____
35
36 Approved as to form only:

37 
38 _____
39
40 Special Deputy Prosecuting Attorney

EXHIBIT A
Purchase Offer



Snohomish County

Treasurer
Brian Sullivan

M/S #501
3000 Rockefeller Ave
Everett, WA 98201-4046

(425) 383-3979

Snohomish County, Washington
3000 Rockefeller Avenue, MS 610
Everett, Washington 98201
Attn.: Finance Director

August 2, 2024

Snohomish County, through its Snohomish County Investment Pool, offers to purchase the \$8,951,566 Snohomish County, Washington Limited Tax General Obligation Bond, 2024 (Taxable) on the terms set forth in the attached Issuance Process.

Brian Sullivan
Snohomish County Treasurer

Enclosure



Snohomish County

Treasurer
Brian Sullivan

M/S #501
3000 Rockefeller Ave
Everett WA 98201-4046

(425) 358-3979

SNOHOMISH COUNTY - ISSUANCE PROCESS
SNOHOMISH COUNTY, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BOND, 2024
(TAXABLE)

ISSUANCE

The issuance process shall be initiated by a written request from the County Finance Director, on behalf of Snohomish County (the "Issuer"), to the County Treasurer. Upon receiving a request for funding, the County Treasurer and the County Finance Director shall determine and agree upon the Interest Rate, which shall be a fixed rate equal 4.25% per annum, and the proposed date of issuance of the Bond, which shall be October 1, 2024 (the "Date of Issue").

The Bond shall be designated as the "SNOHOMISH COUNTY, WASHINGTON LIMITED TAX GENERAL OBLIGATION BOND, 2024 (TAXABLE)," shall be dated the Date of Issue, shall be fully registered as to both principal and interest, shall be in the denomination of \$8,951,566 and shall mature on September 30, 2029 (the "Maturity Date").

The Bond shall bear interest on unpaid principal from the Date of Issue at its Interest Rate, payable on June 1, 2025 and semiannually thereafter on each December 1 and June 1 following the Date of Issue, and on the Maturity Date. Interest shall be calculated based on a year of 360 days and 12 months of 30 days. Unless prepaid as described below, the outstanding principal of the Bond shall be paid on the Maturity Date.

The outstanding principal of the Bond may be prepaid, in whole or in part, without penalty or premium, annually on each December 1, commencing December 1, 2025, upon ten (10) days' prior written notice from the Finance Director, on behalf of the Issuer, to the County Treasurer. The written notice shall include the amount to be prepaid with a minimum of \$500,000, unless the outstanding balance of the Bond is less than \$500,000, in which case the outstanding balance shall be paid in full.

FUNDING

The County Treasurer shall fund the Bond on October 1, 2024.

EXECUTION

The Bond shall be signed on behalf of the Issuer with the manual signatures of the County Executive and the Clerk of the County Council, and shall have the seal of the County impressed or imprinted thereon.

DELIVERY OF BOND

The Issuer accepts the offer of the County Treasurer to purchase the Bond, and authorizes and directs the execution of the Purchase Offer on behalf of the Issuer by the Finance Director.