



City of Tukwila

Washington

Ordinance No. 2223

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, AUTHORIZING THE EXECUTION OF AN INTERLOCAL AGREEMENT RELATING TO THE SOUTH CORRECTIONAL ENTITY FACILITY AND THE FORMATION OF THE SOUTH CORRECTIONAL ENTITY FACILITY PUBLIC DEVELOPMENT AUTHORITY; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Tukwila, Washington (the "City"), is authorized by Chapter 70.48 RCW to contract for, establish and maintain correctional facilities in furtherance of public safety and welfare; and

WHEREAS, the City currently contracts with other local governments within the State of Washington for correctional services at a great expense to the City; and

WHEREAS, Chapter 39.34 RCW, the Interlocal Cooperation Act, authorizes municipalities in Washington to enter into agreements for the joint undertaking of certain projects as provided therein; and

WHEREAS, the Cities of Auburn, Federal Way, Des Moines, Renton, Burien, SeaTac, and Tukwila, Washington (the "Member Cities") recognize and find that there is a public need for a new correctional facility to serve the South King County region and to provide correctional services at a lower total cost to the participating Member Cities than currently available alternatives or than the participating Member Cities could individually provide; and

WHEREAS, the Member Cities now desire to enter into an interlocal agreement (the "Interlocal Agreement") to form a governmental administrative agency known as the South Correctional Entity ("SCORE") to establish and maintain a consolidated correctional facility (the "SCORE Facility") to serve the Member Cities and federal and state agencies and other local governments that may contract with SCORE in the future to provide correctional services essential to the preservation of the public health, safety and welfare; and

WHEREAS, the Member Cities are considering the formation of a public corporation for the purpose of issuing and servicing bonds that are secured by the full faith and credit of the Member Cities in order to provide for the financing of the SCORE Facility; and

WHEREAS, the City of Renton, Washington, has agreed to act as the host city for the formation of the public corporation, subject to the approval of each Member City; and

WHEREAS, the establishment and maintenance of the SCORE Facility will be of substantial benefit to the Member Cities and the public in general;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY ORDAINS AS FOLLOWS:

Section 1. Approval of Interlocal Agreement. The Mayor of the City is hereby authorized to execute the Interlocal Agreement with the Cities of Renton, Auburn, Federal Way, Des Moines, Burien, and SeaTac, Washington, substantially in the form as attached hereto as Exhibit A and incorporated herein by this reference (the "Interlocal Agreement"), for the creation of a governmental administrative agency pursuant to RCW 39.34.030(3) to be known as the South Correctional Entity ("SCORE"). The Mayor is hereby designated as the "Designated Representative" of the City for the purpose of the Interlocal Agreement. The Mayor and other appropriate officers of the City are authorized and directed to take any and all such additional actions as may be necessary or desirable to accomplish the creation of SCORE.

Section 2. Approval of Formation of the Authority. Pursuant to Chapter 39.34 RCW and RCW 35.21.730 through RCW 35.21.755, the City hereby approves the creation of a public corporation by the City of Renton to be designated as the South Correctional Entity Facility Public Development Authority (the "Authority"). The purpose of the Authority is to provide an independent legal entity under State law to issue obligations to finance and refinance the acquisition, construction, improvement and equipping of a correctional facility (the "SCORE Facility"). Such obligations may be issued in one or more series, may be in the form of bonds, notes or other evidences of indebtedness to provide interim and permanent financing for the SCORE Facility and thereafter, to finance or refinance equipment, completion, expansion and other capital improvements essential to maintain the SCORE Facility's functionality. Such bonds, notes, and other evidences of borrowing are collectively referred to herein as the "Bonds." The proposed form of ordinance to be considered by the City Council of the City of Renton, along with the Charter and the Bylaws of the Authority, drafts of which are attached hereto, as Exhibits B, C and D, respectively, are hereby approved. The City Council hereby approves the formation by the City of Renton of the Authority by the approval of such ordinance, Charter and Bylaws substantially in the forms presented to this Council.

Section 3. Limited Liability; Independent Obligations. The Authority shall be an independent legal entity exclusively responsible for its own debts, obligations and liabilities. All liabilities incurred by the Authority shall be satisfied exclusively from the assets and credit of the Authority. No creditor or other person shall have any recourse to the assets, credit, or services of the City on account of any debts, obligations, liabilities, acts, or omissions of the Authority.

Section 4. City Contributions to Operations and Bonds.

A. The City shall pay its allocable portion of the budgeted expenses of maintenance and operation of the SCORE Facility not paid from other sources, which allocable portion shall be determined as provided in the Interlocal Agreement. In addition to the foregoing commitment, the City irrevocably commits to pay its capital contribution in the percentage provided for in the Interlocal Agreement, which is equal to 8%, to pay debt service on Bonds as the same shall become due and payable and to pay administrative expenses of the Authority with respect to the Bonds (the "Capital Contribution"). The authorization contained in this ordinance is conditioned upon the issuance of Bonds not exceeding the aggregate principal amount of \$100 million (not including any bonds or notes to be refunded with proceeds of such Bonds) without obtaining additional Council approval.

B. The City recognizes that it is not obligated to pay the Capital Contribution of any other Member City; the Capital Contribution of the City shall be limited to its 8% allocable share of such obligations; all such payments shall be made by the City without regard to the payment or lack thereof by any other jurisdiction; the City shall be obligated to budget for and pay its Capital Contribution unless relieved of such payment in accordance with the Interlocal Agreement. All payments with respect to the Bonds shall be made to SCORE in its capacity as administrator and servicer of the Bonds to be issued by the Authority. The City's obligation to pay its Capital

Contribution shall be an irrevocable full faith and credit obligation of the City, payable from property taxes levied within the constitutional and statutory authority provided without a vote of the electors of the City on all of the taxable property within the City and other sources of revenues available therefore. The City hereby obligates itself and commits to budget for and pay its Capital Contribution and to set aside and include in its calculation of outstanding non-voted general obligation indebtedness an amount equal to the principal component of its Capital Contribution for so long as any Bonds issued by the Authority remain outstanding.

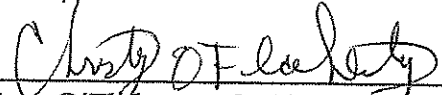
Section 5. Preliminary Costs; Reimbursement. The City is hereby authorized to finance costs associated with the design, acquisition, construction, improvement and equipping of the SCORE Facility prior to the issuance of Bonds by the Authority pursuant to the terms of the Interlocal Agreement. Pursuant to U.S. Treasury Regulation Section 1.150-2(e), the City reasonably expects to be reimbursed for such expenditures with proceeds of Bonds issued by the Authority. The maximum principal amount of Bonds expected to be issued for the SCORE Facility described in Section 2 is \$100 million.

Section 6. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance or its application to any person or situation should be held to be invalid or unconstitutional for any reason by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance or its application to any other person or situation.


Section 7. Effective Date. This ordinance or a summary thereof shall be published in the official newspaper of the City, and shall take effect and be in full force five days after passage and publication as provided by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON,
at a Regular Meeting thereof this 20th day of January, 2009.

ATTEST/AUTHENTICATED:

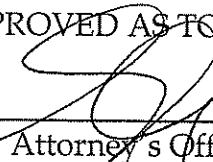


Christy O'Flaherty, CMC, City Clerk



Jim Haggerton, Mayor

APPROVED AS TO FORM BY:



City Attorney's Office

Filed with the City Clerk: 1-14-09
Passed by the City Council: 1-20-09
Published: 1-24-09
Effective Date: 1-29-09
Ordinance Number: 2223

Attachment: Exhibit A - Interlocal Agreement
Exhibit B - Proposed City of Renton Ordinance
Exhibit C - Charter of the Authority
Exhibit D - Bylaws of the Authority