

MERCER ISLAND SCHOOL DISTRICT NO. 400
KING COUNTY, WASHINGTON

PROPOSITION NO. 1 - BONDS TO MODERNIZE SCHOOL FACILITIES,
IMPROVE SAFETY AND ENHANCE LEARNING

RESOLUTION NO. 736

A RESOLUTION of the Board of Directors of Mercer Island School District No. 400, King County, Washington, providing for the submission to the voters of the District at a special election to be held on April 22, 2025, of a proposition authorizing the District to issue general obligation bonds in the aggregate principal amount of no more than \$165,000,000, for the purpose of paying costs of rebuilding and modernizing a portion of Islander Middle School, renovating sections of Mercer Island High School, and upgrading accessibility at District facilities, the principal of and interest on such bonds to be payable from annual excess property tax levies; designating the Secretary to the Board or the Secretary's designee and bond counsel to receive notice of the ballot title from the Director of Elections of King County, Washington; authorizing a request for a Certificate of Eligibility from the State Treasurer for participation in the Washington State School District Credit Enhancement Program pursuant to chapter 39.98 RCW; and providing for related matters.

ADOPTED: January 16, 2025

This document prepared by:

*FOSTER GARVEY P.C.
1111 Third Avenue, Suite 3000
Seattle, Washington 98101
(206) 447-6264*

MERCER ISLAND SCHOOL DISTRICT NO. 400
KING COUNTY, WASHINGTON

RESOLUTION NO. 736

A RESOLUTION of the Board of Directors of Mercer Island School District No. 400, King County, Washington, providing for the submission to the voters of the District at a special election to be held on April 22, 2025, of a proposition authorizing the District to issue general obligation bonds in the aggregate principal amount of no more than \$165,000,000, for the purpose of paying costs of rebuilding and modernizing a portion of Islander Middle School, renovating sections of Mercer Island High School, and upgrading accessibility at District facilities, the principal of and interest on such bonds to be payable from annual excess property tax levies; designating the Secretary to the Board or the Secretary's designee and bond counsel to receive notice of the ballot title from the Director of Elections of King County, Washington; authorizing a request for a Certificate of Eligibility from the State Treasurer for participation in the Washington State School District Credit Enhancement Program pursuant to chapter 39.98 RCW; and providing for related matters.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF MERCER ISLAND SCHOOL DISTRICT NO. 400, KING COUNTY, WASHINGTON, as follows:

Section 1. Findings and Determinations. The Board of Directors (the "Board") of Mercer Island School District No. 400, King County, Washington (the "District"), takes note of the following facts and makes the following findings and determinations:

(a) The need to rebuild, modernize and/or renovate aging and educationally outdated schools, improve student, staff and community safety and security, improve and expand educational opportunities and programs and provide safe, secure, healthy and modern learning environments for the well-being of all users require the District to provide safe, modern facilities to enhance learning by rebuilding and modernizing a portion of Islander Middle School, renovating sections of Mercer Island High School, and upgrading accessibility at District facilities, all as more particularly defined and described in Section 2 herein (the "Projects").

(b) The District lacks sufficient money to pay costs of the Projects.

(c) To pay costs of the Projects, it is necessary and advisable that the District issue and sell unlimited tax general obligation bonds in the aggregate principal amount of no more than \$165,000,000 (the "Bonds"), or such lesser maximum amount as may be legally issued under the laws governing the limitation of indebtedness or required to carry out and accomplish the Projects.

(d) Pursuant to Article VII, Section 2(b) and Article VIII, Section 6 of the Washington Constitution and laws of the State of Washington, including Revised Code of Washington ("RCW") 28A.530.010, RCW 28A.530.020, RCW 39.36.050 and RCW 84.52.056, the District may submit to its voters at a special election, for their approval or rejection, a proposition authorizing the District to issue the Bonds to pay costs of the Projects and to levy annual excess

property taxes in amounts sufficient to pay principal of and interest on the Bonds when due (*i.e.*, repay the Bonds).

(e) The best interests of the District's students and other inhabitants require the District to carry out and accomplish the Projects.

Section 2. Description of the Projects. The Projects to be paid for with proceeds of the Bonds, including interest earnings thereon ("Bond Proceeds"), are more particularly defined and described as follows:

(a) Rebuild and modernize a portion of Islander Middle School, including, but not limited to: (1) constructing an addition to unify the school with a connected core; (2) adding classrooms and science, technology, engineering and mathematics (STEM) and robotics labs; (3) upgrading heating, ventilation and air conditioning (HVAC), installing thermally insulated exterior improvements, upgrading solar panels, and making other learning environment and energy efficiency upgrades; (4) centralizing building entry and upgrading central courtyard with protected entries for safety and security; (5) upgrading commons area; (6) expanding the performing arts space to include multi-purpose assembly and performance venue; (7) installing hybrid mass timber structures; and (8) making other capital improvements to Islander Middle School and related infrastructure, all as determined necessary and advisable by the Board.

(b) Renovate sections of Mercer Island High School, including, but not limited to: (1) upgrading HVAC and fire alarm systems; (2) installing Americans with Disabilities Act (ADA) accessible ramp connection for 300 wing to 400 wing hallway; (3) modernizing 200 wing and 300 wing classrooms and facilities; (4) renovating courtyards into usable learning spaces and for outdoor access; (5) creating shared learning and meeting spaces for students and educational support; (6) upgrading floors, walls and ceilings in existing facilities; (7) renovating and modernizing building and stadium restrooms; (8) improving commons area, student store and career counseling; (9) upgrading the Performing Arts Center; and (10) making other capital improvements to Mercer Island High School and related infrastructure, all as determined necessary and advisable by the Board.

(c) Upgrade accessibility at District facilities, including, but not limited to: (1) installing life safety systems (including code required fire alarms and fire sprinkler systems) and ADA accessible elevator at Administration Building; (2) making code compliant ADA accessible parking access upgrades to the Crest Learning Center/Administration Building site, including replacing building entrance ramps and installing required stormwater management systems; and (3) making other accessibility upgrades at District facilities and related infrastructure, all as determined necessary and advisable by the Board.

(d) Pay costs of an elementary school capital improvement cost study, all as determined necessary and advisable by the Board.

(e) Acquire, construct and install all necessary furniture, equipment, apparatus, accessories, fixtures and appurtenances in or for the foregoing, all as determined necessary and advisable by the Board.

(f) Pay incidental costs and other capital costs incurred in connection with carrying out and accomplishing the Projects pursuant to RCW 39.46.070. Such incidental costs and other capital

costs constitute a part of the Projects and include, but are not limited to: (1) costs related to the issuance, sale and delivery of the Bonds; (2) payments for fiscal and legal costs; (3) costs of obtaining ratings and bond insurance; (4) costs of printing, advertising, establishing and funding accounts; (5) payment of interest due on the Bonds for up to six months after completion of construction; (6) necessary and related engineering, architectural, planning, consulting, inspection, permitting and testing costs; (7) administrative and relocation costs; (8) site acquisition, assessment and improvement costs; (9) demolition costs; (10) costs related to demolition and/or deconstruction of existing school facilities to recycle, reclaim and repurpose such facilities and/or building materials; (11) costs of on-site and off-site utilities and road improvements; and (12) costs of other similar activities or purposes, all as determined necessary and advisable by the Board.

The Projects, or any portion or portions thereof, shall be accomplished insofar as is practicable with available Bond Proceeds, together with any other money of the District legally available therefor, and in such order of time as shall be determined necessary and advisable by the Board. Subject to Section 6 of this resolution, the Board shall allocate the Bond Proceeds, together with any other money of the District legally available therefor, between the various parts of the Projects so as to accomplish, as near as may be, all of the Projects. The Board shall determine the exact order, extent and specifications for the Projects. The Projects are to be more fully described in the plans and specifications to be filed with the District.

Section 3. Calling of Election. The Director of Elections of King County, Washington, as *ex officio* Supervisor of Elections (the “Auditor”), is requested to call and conduct a special election in the District, in the manner provided by law, to be held on April 22, 2025, for the purpose of submitting to the District’s voters, for their approval or rejection, the proposition authorizing the District to issue the Bonds to pay costs of the Projects and levy annual excess property taxes to repay the Bonds.

If the proposition is approved by the requisite number of voters, the District will be authorized to issue, sell and deliver the Bonds in the manner described in this resolution, spend the Bond Proceeds to pay costs of the Projects, and levy annual excess property taxes to repay the Bonds. The Bond Proceeds may be used, either with or without additional money now available or hereafter available to the District, for capital purposes only, as permitted by law, which does not include the replacement of equipment.

Section 4. Authorization to Issue the Bonds. The Bonds authorized may be issued as a single issue, as a part of a combined issue with other authorized bonds, or in more than one series, all as determined necessary and advisable by the Board and as permitted by law. Further, the Bonds may be issued, as determined necessary and advisable by the Board, as taxable bonds, tax-exempt bonds and/or any other type of bonds that are now or in the future may be authorized under applicable state and federal law.

Each series of the Bonds shall be issued as fully registered bonds; shall bear interest payable as permitted by law; shall mature within 20 years from the date of issuance of such series of the Bonds (but may mature at an earlier date or dates as fixed by the Board); shall be paid by annual property tax levies sufficient in amount to pay both principal and interest when due, which annual property tax levies shall be made in excess of regular property tax levies without limitation as to rate or amount; and shall be issued and sold in such manner, at such times and in such amounts as shall be required

for the purpose for which each series of the Bonds are to be issued, all as determined necessary and advisable by the Board and as permitted by law. The life of the Projects to be financed with the Bond Proceeds shall, as near as practicable or as otherwise required by law, exceed the term of the respective series of Bonds that finance such Projects. The amount, date, denominations, interest rates, payment dates, final maturity, redemption rights, price, and other terms and conditions of the Bonds (or parameters with respect thereto) shall be hereafter fixed by one or more resolutions of the Board authorizing the issuance, sale and delivery of each series of Bonds, which resolutions may delegate to a District officer or employee the authority to fix any of the foregoing, all as determined necessary and advisable by the Board and as permitted by law.

Pending the issuance of any series of the Bonds, the District may levy excess property taxes to repay those Bonds and may issue short-term obligations pursuant to chapter 39.50 RCW to pay for any portion of the costs of the Projects. Such obligations may be paid or refunded with the Bond Proceeds.

Section 5. Intent to Reimburse. The Board declares that to the extent, prior to the date the Bonds, or other bonds or obligations (which includes the Bonds, or other bonds or obligations, issued as tax-exempt bonds) are issued to pay costs of the Projects, the District makes capital expenditures for the Projects from money that is not (and is not reasonably expected to be) reserved, allocated on a long-term basis or otherwise set aside by the District under its existing and reasonably foreseeable budgetary and financial circumstances to pay costs of the Projects, those capital expenditures are intended to be reimbursed out of the Bond Proceeds, or proceeds of other bonds or obligations, issued in an amount not to exceed the principal amount of the Bonds provided by this resolution.

Section 6. Sufficiency of Bond Proceeds. If the Bond Proceeds are more than sufficient to carry out and accomplish the Projects (the "Excess Bond Proceeds"), and state or local circumstances require, the District may use the Excess Bond Proceeds to: (a) acquire, construct, install, equip and make other capital improvements to the District's facilities; or (b) retire and/or defease a portion of the Bonds or other outstanding bonds of the District, all as the Board may determine by resolution, after holding a public hearing thereon pursuant to RCW 28A.530.020. In the event that the Bond Proceeds, together with any other money of the District legally available therefor, are insufficient to carry out and accomplish all of the Projects, the District shall use the Bond Proceeds and other available money for paying the cost of that portion of the Projects that is determined by the Board most necessary and in the best interest of the District.

Section 7. Use of State Financing Assistance. It is anticipated that the District may receive money from the State of Washington as state financing assistance under chapter 28A.525 RCW with respect to the Projects (the "State Financing Assistance"). The State Financing Assistance shall be used, when and in such amounts as it may become available, to carry out and accomplish the Projects. If the State Financing Assistance is more than sufficient to carry out and accomplish the Projects (the "Excess State Financing Assistance"), and state or local circumstances require, the District may use the Excess State Financing Assistance to: (a) acquire, construct, install, equip and make other capital improvements to the District's facilities; (b) retire and/or defease a portion of the Bonds or other outstanding bonds of the District; or (c) provide for other purposes authorized by law, all as the Board may determine by resolution, after holding a public hearing thereon pursuant to RCW 28A.530.020.

Section 8. Alteration of Expenditures. If the Board subsequently determines that state or local circumstances, including, but not limited to, changed conditions or needs, regulatory considerations or incompatible development, should cause any alteration to the specific expenditures from the Bond Proceeds or the State Financing Assistance for the Projects, the District shall not be required to accomplish the Projects and may apply the Bond Proceeds or the State Financing Assistance (or both or any portion of each) to: (a) acquire, construct, install, equip and make other capital improvements to the District's facilities; or (b) retire and/or defease a portion of the Bonds or other outstanding bonds of the District, all as the Board may determine by resolution after holding a public hearing thereon pursuant to RCW 28A.530.020.

Section 9. Form of Ballot Title. Pursuant to RCW 29A.36.071, the King County Prosecuting Attorney is requested to prepare the concise description of the aforesaid proposition for the ballot title in substantially the following form:

PROPOSITION NO. 1

MERCER ISLAND SCHOOL DISTRICT NO. 400

BONDS TO MODERNIZE SCHOOL FACILITIES, IMPROVE SAFETY AND
ENHANCE LEARNING

The Board of Directors of Mercer Island School District No. 400 adopted Resolution No. 736, concerning a proposition to provide safe, modern facilities to enhance learning. This proposition would authorize the District to: rebuild and modernize a portion of Islander Middle School (construct addition to unify school, add classrooms/STEM/robotics labs, upgrade HVAC); renovate sections of Mercer Island High School (upgrade HVAC, fire alarms, ADA accessibility, modernize classrooms, Performing Arts Center); upgrade accessibility at District facilities; issue \$165,000,000 of general obligation bonds maturing within 20 years; and levy annual excess property taxes to repay the bonds, all as provided in Resolution No. 736. Should this proposition be:

Approved ☐

Rejected ☐

Section 10. Authorization to Deliver Resolution to Auditor and Perform Other Necessary Duties. The Secretary to the Board (the "Secretary") or the Secretary's designee is authorized and directed to: (a) present a certified copy of this resolution to the Auditor no later than February 21, 2025; and (b) perform such other duties as are necessary or required by law to submit to the District's voters at the aforesaid special election, for their approval or rejection, the proposition authorizing the District to issue the Bonds to pay costs of the Projects and levy annual excess property taxes to repay the Bonds.

Section 11. Notices Relating to Ballot Title. For purposes of receiving notice of the exact language of the ballot title required by RCW 29A.36.080, the Board hereby designates (a) the Secretary's designee (Matt Sullivan, Executive Director of Finance and Operations), telephone: 206.236.3295; email: matt.sullivan@mercerislandschools.org; (b) the Secretary (Fred Rundle), telephone: 206.236.3300; email: fred.rundle@mercerislandschools.org; and (c) bond counsel, Foster Garvey P.C. (Lee Marchisio), telephone: 206.447.6264; email: lee.marchisio@foster.com, as the individuals to whom the Auditor shall provide such notice. The Secretary is authorized to approve changes to the ballot title, if any, determined necessary by the Auditor or the King County Prosecuting Attorney.

Section 12. Authorization to Request Participation in Washington State School District Credit Enhancement Program. The Board finds and determines that, if the District receives voter approval to issue the Bonds in the manner described in this resolution, it will be in the best interests of the District's taxpayers to request the State of Washington's guaranty for payment of the Bonds under chapter 39.98 RCW, the Washington State School District Credit Enhancement Program. Accordingly, the Board hereby requests the State Treasurer to issue a Certificate of Eligibility to the District pledging the full faith, credit, and taxing power of the State of Washington to guarantee the payment, when due, of the principal of and interest on the Bonds pursuant to chapter 39.98 RCW and the rules promulgated thereunder by the State Finance Committee. The Board designates each of the Secretary and the District's Executive Director of Finance and Operations or such other officer of the District who may in the future perform the duties of that office, if any, and each of them acting alone, as the District officials authorized to file with the State Treasurer, on behalf of the District, the request for a Certificate of Eligibility.

Section 13. Execution; General Authorization and Ratification. This resolution may be executed by the Directors being present and voting in favor of the resolution, or only the President of the Board (the "President"), and attested by the Secretary, in tangible medium, manual, facsimile or electronic form under any security procedure or platform, and notwithstanding any other District resolution, rule, policy or procedure, or in any other manner evidencing its adoption. The Secretary, the District's Executive Director of Finance and Operations, the President, other appropriate officers of the District and the District's bond counsel, Foster Garvey P.C., are further severally authorized and directed to take such actions and to create, accept, execute, send, use and rely upon such tangible medium, manual, facsimile or electronic documents, records and signatures under any security procedure or platform, and notwithstanding any other District resolution, rule, policy or procedure, as in their judgment may be necessary or desirable to effectuate the provisions of this resolution. All actions taken prior to the effective date of this resolution in furtherance of and not inconsistent with the provisions of this resolution are ratified and confirmed in all respects.

Section 14. Severability. If any provision of this resolution is declared by any court of competent jurisdiction to be invalid, then such provision shall be null and void and shall be separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution, of the Bonds or of the levy or collection of the taxes pledged to repay the Bonds.

Section 15. Effective Date. This resolution takes effect from and after its adoption.

ADOPTED by the Board of Directors of Mercer Island School District No. 400, King County, Washington, at a regular open public meeting held on January 16, 2025.

MERCER ISLAND SCHOOL DISTRICT NO. 400
KING COUNTY, WASHINGTON



President and Director



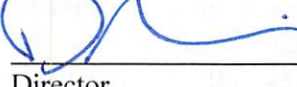
Vice President and Director



Director



Director



Director

ATTEST:



DR. FRED RUNDLE
Secretary to the Board of Directors