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KING COUNTY ELECTIONS

HIGHLINE SCHOOL DISTRICT NO. 401  
KING COUNTY, WASHINGTON  
(HIGHLINE PUBLIC SCHOOLS)

BONDS TO CONSTRUCT NEW SCHOOLS AND REPLACE  
AND RENOVATE DETERIORATING SCHOOLS

RESOLUTION NO. 15-16

A RESOLUTION of the Board of Directors of Highline School District No. 401, King County, Washington, providing for the submission to the voters of the District at a special election to be held on November 8, 2016, in conjunction with the State General election to be held on the same date, of a proposition authorizing the District to issue general obligation bonds in the principal amount of no more than \$299,850,000, for the purpose of paying costs of rebuilding Highline High School, constructing a new middle school, constructing a new elementary school to replace Des Moines Elementary, developing designs for future rebuild of Evergreen, Tyee and Pacific Schools, renovating Olympic School, and making District-wide health, safety and security improvements, the principal of and interest on such bonds to be payable from annual excess property tax levies; designating the District's Chief of Staff and Finance and bond counsel to receive notice of the ballot title from the Director of Records and Elections of King County, Washington; authorizing a request for a Certificate of Eligibility from the State Treasurer pursuant to chapter 39.98 RCW; designating the Secretary to the Board and/or the District's Chief of Staff and Finance as the District officials authorized to file with the State Treasurer, on behalf of the District, the request for a Certificate of Eligibility; authorizing participation in the Local Voters' Pamphlet; and providing for other matters properly related thereto, all as more particularly set forth herein.

ADOPTED: JULY 20, 2016

*This document prepared by:*

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BE IT RESOLVED BY THE BOARD OF DIRECTORS OF HIGHLINE SCHOOL DISTRICT NO. 401, KING COUNTY, WASHINGTON, as follows:

Section 1. Findings and Determinations. The Board of Directors (the "Board") of Highline School District No. 401, King County, Washington (the "District"), takes note of the following facts and hereby makes the following findings and determinations:

(a) Overcrowding, deteriorating and educationally outdated infrastructure and schools, State of Washington class size reduction requirements and the needs of our educational programs require that the District rebuild Highline High School, construct a new middle school, construct a new elementary school to replace Des Moines Elementary, develop designs for future rebuild of Evergreen, Tyee and Pacific Schools, renovate Olympic School, and make District-wide health, safety and security improvements, all as more particularly defined and described in Section 2 herein (collectively, the "Projects"). The Projects are urgently required to correct the existing conditions.

(b) The District lacks sufficient money with which 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 principal amount of no more than

\$299,850,000 (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) The District is authorized pursuant to Article VII, Section 2(b) 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, to submit to the District's voters at a special election, for their approval or rejection, the proposition of whether the District shall issue the Bonds to pay costs of the Projects and levy annual excess property taxes to pay and retire the Bonds.

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

Section 2. Description of 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 Highline High School at or near the existing site, all as deemed necessary and advisable by the Board.

(b) Construct a new middle school at the Glacier site, or other site to be determined by the Board, all as deemed necessary and advisable by the Board.

(c) Construct a new elementary school at the Zenith site to replace Des Moines Elementary School, all as deemed necessary and advisable by the Board.

(d) Develop designs and plans for future rebuild of Evergreen and Tyee High Schools, and Pacific Middle School, all as deemed necessary and advisable by the Board.

(e) Renovate Olympic Junior High School for interim student housing, all as deemed necessary and advisable by the Board.

(f) Make District-wide health, safety, security, and other capital improvements, including, but not limited to: (1) making critical improvements identified in the *Highline School District No. 401 2015 Study and Survey, A Comprehensive Report on Existing School Facilities*, dated October 2015, prepared by Highline Public Schools in association with Bassetti Architects and Integrus Architecture, as further supplemented by District Facilities Services Staff, and not otherwise completed as provided herein, which are incorporated herein by this reference; and (2) making other District-wide health, safety, security, and other capital improvements, all as deemed necessary and advisable by the Board.

(g) Acquire, construct and install all necessary furniture, equipment, apparatus, accessories, fixtures and appurtenances in the foregoing, all as deemed necessary and advisable by the Board.

(h) Pay incidental costs incurred in connection with carrying out and accomplishing the Projects described above pursuant to RCW 39.46.070. Such incidental costs shall be deemed part of the Projects and shall include, but not be limited to: (1) costs related to the issuance, sale and delivery of the Bonds; (2) payments for fiscal and legal expenses; (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 expenses; (8) site acquisition and improvement costs; (9) demolition costs; (10) costs related to demolition and/or deconstruction of existing school facilities to recycle, reclaim and repurpose such school 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 deemed necessary and advisable by the Board. The Projects, or any portion or portions thereof, shall be acquired or made 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 deemed 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 Records and 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 therein on November 8, 2016, in conjunction with the State General election to be held on the same date, for the purpose of submitting to the District's voters, for their approval or rejection, the proposition of whether the District shall issue the Bonds to pay costs of the Projects and levy annual excess property taxes to pay and retire 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 pay and retire the Bonds. The Bond Proceeds shall 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 shall 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 deemed necessary and advisable by the Board and as permitted by law. Further, the Bonds may be issued, as deemed necessary and advisable by the Board, as taxable bonds, tax-exempt bonds and/or any other type of tax credit bonds that are now or in the future may be authorized under applicable state and federal law, including, but not limited to, "build America bonds" or "qualified tax credit bonds" within the meaning of Section 54A(d)(1) of the Internal Revenue Code of 1986, as amended (the "Code") (generically, "Tax Credit Bonds").

Each series of the Bonds shall be issued as fully registered bonds; shall bear interest payable as permitted by law; shall mature within 21 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 but only in amounts sufficient to meet such payments of principal and interest as they come due; 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 deemed necessary and advisable by the Board and as permitted by law. The life of the Projects to be financed with the Bond Proceeds shall exceed the term of the respective series of Bonds that finance such Projects. The Board hereby authorizes and directs the Secretary to the Board (the "Secretary") and/or the District's Chief of Staff and Finance (the "Chief of Staff and Finance") to determine for each series of Bonds whether such series should be sold by negotiated or competitive sale, and with respect to such series of Bonds that are to be sold by competitive sale, to: (a) specify a date and time of sale of such Bonds; (b) give notice of that sale; (c) determine any bid requirements and criteria for determining the award of the bid; (d) provide for the use of an electronic bidding mechanism if the Secretary and/or Chief of Staff and Finance deems electronic bidding to be beneficial to the District; and (e) specify other matters in his or her determination necessary, appropriate or desirable to carry out the sale of the Bonds. Notwithstanding the foregoing, 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 such series of Bonds, which resolutions may delegate to a District officer or employee the authority to fix any of the foregoing, all as deemed necessary and advisable by the Board and as permitted by law.

Pending the issuance of any series of the Bonds, the District may issue short-term obligations pursuant to chapter 39.50 RCW (which may be issued as Tax Credit Bonds, if permitted under applicable law) to pay for any portion of the costs of the Projects. Such obligations may be paid or refunded with the Bond Proceeds.

If the District receives voter approval to issue the Bonds in the manner described in this resolution, the Board authorizes and directs the Secretary and/or the Chief of Staff and Finance to: (a) review and "deem final" (within the meaning of Rule 15c2-12 of the Securities and Exchange Commission), if necessary and upon such official's satisfaction, any preliminary official statement prepared in connection with the sale of each series of the Bonds by the District; (b) authorize the "deemed final" preliminary official statement to be distributed prior to the date any underwriter or purchaser bids for, purchases, offers or sells each series of the Bonds; and (c) acknowledge in writing any action taken pursuant to clauses (a) and (b) of this paragraph.

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 and/or Tax Credit Bonds) are issued to pay costs of the Projects, the District shall make 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 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 deemed 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 some 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"), the District shall use the Excess State Financing Assistance to carry out and accomplish any other capital improvements identified in the District's 6-year Capital Facilities Improvement Plan, and not otherwise completed as provided herein, which are incorporated herein by this reference (collectively referred to herein as the "Excess State Financing Assistance Improvements"). The provisions of Section 2(g) and (h) of this resolution are incorporated herein by this reference and made a part of the Excess State Financing Assistance Improvements.

If the Excess State Financing Assistance is more than sufficient to carry out and accomplish the Excess State Financing Assistance Improvements (the "Remaining Excess State Financing Assistance"), and state or local circumstances require, the District may use the Remaining 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, 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 shall subsequently determine 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 Projects or the Excess State Financing Assistance Improvements, the District shall not be required to accomplish the Projects or the Excess State Financing Assistance Improvements, and may apply the Bond Proceeds, State Financing Assistance or Excess State Financing Assistance (or any portion thereof) to: (a) other portions of the Projects or the Excess State Financing Assistance Improvements; (b) acquire, construct, install, equip and make other capital improvements to the District's facilities; or (c) 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 1

HIGHLINE SCHOOL DISTRICT NO. 401  
(HIGHLINE PUBLIC SCHOOLS)

BONDS TO CONSTRUCT NEW SCHOOLS AND REPLACE  
AND RENOVATE DETERIORATING SCHOOLS

The Board of Directors of Highline School District No. 401 adopted Resolution No. 15-16, concerning a proposition to relieve overcrowding and replace deteriorating, outdated schools. This proposition would authorize the District to: rebuild Highline High School, construct a new middle school, construct a new elementary school to replace Des Moines Elementary, develop designs for future rebuild of Evergreen, Tyee and Pacific Schools, renovate Olympic School, and make District-wide health, safety and security improvements; issue no more than \$299,850,000 of general obligation bonds maturing within 21 years; and levy annual excess property taxes to repay the bonds, all as provided in Resolution No. 15-16. Should this proposition be:

Approved .....

Rejected .....

Section 10. Authorization to Deliver Resolution to Auditor and Perform Other Necessary Duties. The Secretary or her designee is directed to: (a) present a certified copy of this resolution to the Auditor no later than August 2, 2016; 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 of whether the District shall issue the Bonds to pay costs of the Projects and levy annual excess property taxes to pay and retire 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 the (a) Chief of Staff and Finance (Duggan Harman), telephone: 206.631.3078; fax: 206.433.2351; email: [duggan.harman@highlineschools.org](mailto:duggan.harman@highlineschools.org); and (b) bond counsel, Foster Pepper PLLC (Jim McNeill), telephone: 206.447.5339; fax 800.533.2284; email: [mcnej@foster.com](mailto:mcnej@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, deemed necessary by the Auditor or the King County Prosecuting Attorney.

Section 12. Authorization to Request Participation in Washington State School District Credit Enhancement Program Authorized. The Board hereby 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 the Secretary and/or the Chief of Staff and Finance 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. Authorization to Request Authority to Issue Tax Credit Bonds. To the extent the Board deems it necessary and advisable to issue all or a portion of the Bonds as Tax Credit Bonds, the Board hereby (a) authorizes the District to request authorization from Office of the Superintendent of Public Instruction ("OSPI"), if applicable, to issue such Bonds as Tax Credit Bonds for the purpose of paying costs of the Projects, and (b) designates the Secretary and/or the Chief of Staff and Finance as the District officials authorized to prepare, sign and submit to OSPI the appropriate applications (or other required forms or documents) to issue the Tax Credit Bonds.

Section 14. Authorization of Local Voters' Pamphlet. The preparation and distribution of information on the ballot measure for inclusion in a local voters' pamphlet (the "Pamphlet") is hereby authorized. The Pamphlet shall include, but not be limited to, the text of the ballot measure, an explanatory statement and statements in favor of and in opposition to the ballot measure, if any. The Board hereby appoints a committee to prepare arguments advocating voters' approval of the ballot measure ("Pro Committee") and a committee to prepare arguments advocating voters' rejection of the ballot measure ("Con Committee"). The Secretary is authorized and directed to take such actions to appoint for the District persons known to favor the ballot measure to serve on the Pro Committee and shall, whenever possible, appoint persons known to oppose the ballot measure to serve on the Con Committee. The preparation of the explanatory statement, the appointment of Pro/Con Committee members and the preparation of statements in favor of and in opposition to the ballot measure, if any, shall be in accordance with chapter 29A.32 RCW and the rules and guidelines of the Auditor, as applicable. The District understands that it is responsible to pay its proportionate share of the costs of the Pamphlet under RCW 29A.32.270.

Section 15. General Authorization and Ratification. The Secretary, the Chief of Staff and Finance, the President of the Board, other appropriate officers of the District and bond counsel, Foster Pepper PLLC, are severally authorized and directed to take such actions and to execute such documents 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 hereby ratified and confirmed in all respects.

Section 16. Severability. If any provision of this resolution shall be 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 pay and retire the Bonds.



Section 17.    Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED by the Board of Directors of Highline School District No. 401, King County, Washington, at a special open public meeting thereof, of which due notice was given as required by law, held this 20<sup>th</sup> day of July, 2016, the following Directors being present and voting in favor of the resolution.

HIGHLINE SCHOOL DISTRICT NO. 401  
KING COUNTY, WASHINGTON

  
\_\_\_\_\_  
Michael D. Spear, President and Director

  
\_\_\_\_\_  
Bernie Dorsey, Vice President and Director

  
\_\_\_\_\_  
Angelica Alvarez, Director

  
\_\_\_\_\_  
Tyrone Curry Sr., Director

  
\_\_\_\_\_  
Joe Van, Director

ATTEST:

  
\_\_\_\_\_  
Susan A. Enfield, Ed.D.  
Secretary to the Board of Directors