

AUBURN TRANSPORTATION BENEFIT DISTRICT

RESOLUTION NO. 2012-2

A RESOLUTION OF THE AUBURN TRANSPORTATION BENEFIT DISTRICT, PROVIDING FOR THE SUBMISSION TO THE QUALIFIED ELECTORS OF THE DISTRICT AT A SPECIAL ELECTION TO BE HELD THEREIN ON APRIL 17, 2012, OF A PROPOSITION AUTHORIZING THE DISTRICT TO ISSUE ITS GENERAL OBLIGATION BONDS FOR THE PURPOSE OF FINANCING TRANSPORTATION IMPROVEMENTS IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$59,000,000 PAYABLE BY ANNUAL PROPERTY TAX LEVIES TO BE MADE IN EXCESS OF REGULAR PROPERTY TAX LEVIES, AND TO LEVY THOSE EXCESS PROPERTY TAXES, AND TO PROVIDE FOR OTHER MATTERS RELATING THERETO.

WHEREAS, Chapter 36.73 RCW enables cities and counties to create transportation benefit districts in order to finance and carry out transportation improvements necessitated by economic development and to improve the performance of the transportation system; and

WHEREAS, under RCW 36.73.015(3), transportation improvements include among other things, projects contained in the transportation plan of the state, a regional transportation planning organization, a county or a city, and may include investment in transportation projects and programs of regional or statewide significance; and

WHEREAS, following a public hearing held in accordance with RCW 36.73.050, the Auburn Transportation Benefit District, Washington (the "District") was formed by Ordinance No. 6377 of the City of Auburn (the "City"), passed on September 19, 2011, for the purpose of making transportation improvements that are consistent with existing state, regional and local transportation plans and are necessitated by existing or reasonably foreseeable congestion levels, as provided in Chapter 36.73 RCW; and

WHEREAS, the District is a quasi-municipal corporation, an independent taxing authority and a taxing district within the State of Washington authorized issue general obligation bonds to pay for the costs of transportation improvements pursuant to chapter 36.73 RCW; and

WHEREAS, the Board of the District (the "Board") wishes to seek voter approval for the issuance and sale of not to exceed \$59,000,000 of general obligation bonds of the District (the "Bonds") to pay the costs of certain transportation improvements

pursuant to chapter 36.73 RCW and the costs of issuance of the Bonds, to be repaid by an annual excess property tax levy; and

WHEREAS, the constitution and laws of the State of Washington provide that the question of whether or not the District may issue such bonds be submitted to the qualified electors of the District for their ratification or rejection;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF THE AUBURN TRANSPORTATION BENEFIT DISTRICT, WASHINGTON, as follows:

Section 1. Designation of TBD Projects – Use of Bond Proceeds. The specific transportation improvement (the “TBD Projects”) to be financed with proceeds of the bonds described in this resolution consist of the transportation improvements described in detail within the City’s six-year Transportation Improvement Program (the “Program”), as the Program may be updated by the City from time to time.

The cost of the TBD Projects shall include all necessary expenses for acquisitions of property, inspection and testing, administrative and relocation, and all design, engineering, legal, financial, architectural, and planning costs, but shall not include the replacement of equipment. The cost of the TBD Projects shall also include amounts reimbursed to the District or to the City to the extent that City funds were used for such purposes, together with incidental costs and costs related to the sale and issuance of the Bonds.

The estimated cost of the TBD Projects, including the costs of issuing and selling the Bonds authorized by this resolution, is declared to be approximately \$59,000,000. The economic life of the TBD Projects is expected to be longer than the life of the Bonds.

The Board shall determine the application of money available for the TBD Projects so as to accomplish, as nearly as may be, all of the TBD Projects. In the event that the proceeds of the bonds authorized herein, plus any other money of the District legally available, are insufficient to accomplish all of the TBD Projects, the Board shall use the available funds for paying the cost of those portions of the TBD Projects deemed by the Board most necessary and in the best interest of the TBD.

The Board shall determine the exact locations and specifications for the elements of the TBD Projects as well as the timing, order and manner of implementing or completing the TBD Project. The Board may alter, make substitutions to and amend the TBD Projects’ descriptions as it determines is in the best interests of the District consistent with the descriptions in the Program and in accordance with the material change policy adopted by the Board in accordance with RCW 36.73.160 and with the notice, hearing and other procedures described in chapter 36.73 RCW, including RCW 36.73.050(2)(b), in each case as the same may be amended from time to time.

In the event that the Board determines that it has become impractical to accomplish any portion of the TBD Projects by reason of changed conditions, or costs substantially in excess of the amount of Bond proceeds or other available funds, the Board may apply all or a portion of the leftover bond proceeds to the payment of principal or interest on the Bonds, as the Board may determine.

Section 2. Description of Bonds. The Bonds may be issued as a single issue, as a part of a combined issue with other authorized bonds, or in more than one series, as deemed advisable by the Board and as permitted by law. The Bonds shall be fully registered bonds, bearing interest payable as permitted by law, and each series maturing within 25 years from the date of issue that series, or within any shorter period fixed by the Board. The Bonds 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. The Bonds shall be issued and sold in such manner, at such times and in such amounts as shall be required for the purpose for which such bonds are to be issued. The specific date, form, terms, option of prior redemption, price, interest rate or rates and maturities of the Bonds shall be hereafter fixed by resolution of the District. Pending the issuance of the Bonds, the District may issue short-term obligations pursuant to chapter 39.50 RCW or such other obligations as are permitted by law to pay for the costs of the TBD Project allocated to the District. Such obligations and their costs may be paid or refunded with proceeds of the Bonds when issued.

Section 3. Calling of Election. The Board requests that the Director of Records and Elections of King County, as ex officio Supervisor of Elections in King County, and the Pierce County Auditor, as ex officio Supervisor of Elections in Pierce County (together, the "Directors of Elections"), call and conduct a special election in the District, in the manner provided by law, to be held therein on April 17, 2012, for the purpose of submitting to the voters of the District, for their approval or rejection, the question or whether or not general obligation bonds of the District shall be issued in the principal amount of not more than \$59,000,000 (or such lesser maximum amount as may be legally issued under the laws governing the limitation of indebtedness), the proceeds of which shall be expended to pay the costs of the TBD Projects, and annual excess property taxes shall be levied to pay and retire the Bonds.

If such proposition is approved by the requisite number of voters, the District shall be authorized to issue the Bonds in the manner described in this resolution, to spend the proceeds thereof to pay the costs of the TBD Projects and the costs of issuance and sale of such Bonds, and to levy excess property taxes to pay and retire such Bonds. The proceeds of the Bonds shall be used for capital purposes only, which shall not include the replacement of equipment.

Section 4. Ballot Proposition. The Secretary of the Board is authorized and directed to certify, no later than March 2, 2012, to both the Directors of Elections, as ex officio supervisors of elections in the District, a copy of this resolution and the following

proposition to be submitted to the qualified electors at that special election. The proposition and ballot title shall be in the form that follows, or as modified by either of the prosecuting attorneys for King or Pierce Counties (the "Prosecuting Attorneys"):

The Board of the Auburn Transportation Benefit District adopted Resolution No. 2012-2 concerning a proposition to fund District transportation improvements and projects. If approved, this proposition would authorize the issuance of general obligation bonds to pay the costs of the transportation improvements and projects identified in the City of Auburn six-year Transportation Improvement Plan in an amount not more than \$59,000,000, each series of such bonds maturing within 25 years or less, and authorize the annual levy of excess property taxes to pay and retire such bonds, as provided in Resolution No. 2012-2. Should this proposition should be approved?

Yes? []

No? []

For purposes of receiving notice of any matters related to the ballot title, as provided in RCW 29A.36.080, the Board hereby designates its bond counsel, Foster Pepper PLLC (Hugh Spitzer, 206-447-8965, spith@foster.com), as the person to whom such notice shall be provided. The Chair of the Board and Secretary of the District are each authorized individually to approve changes to the ballot title, if any, deemed necessary by the Directors of Elections or the Prosecuting Attorneys.

Section 5. Voter Pamphlet Committee and General Authorization. The preparation and distribution in King and/or Pierce Counties of a local voters' pamphlet providing information on the foregoing ballot measure is hereby authorized. The pamphlet shall include arguments advocating approval and disapproval of the ballot measure. In accordance with RCW 29A.32.280, the arguments advocating approval and disapproval of the ballot shall be prepared by committees appointed by the Board by motion not later than 45 days before the publication of the pamphlet. Each committee shall be composed of not more than three persons, and the committee advocating approval shall be composed of persons known to favor the ballot title and the committee advocating disapproval shall be composed of persons known to oppose the ballot title.

The proper District officials are authorized to perform such duties as are necessary or required by law to submit the question of whether the Bonds shall be issued and excess taxes necessary to pay and retire the Bonds be levied, all as provided in this resolution, to the electors of the District at the April 12, 2012 election.

Section 6. Intent to Reimburse. The Board declares that to the extent that the District (or the City on behalf of the District) makes capital expenditures for the TBD Projects, prior to the date the Bonds or other short-term obligations are issued to finance the TBD

Projects, from funds that are not (and are 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 finance the TBD Projects, those capital expenditures are intended to be reimbursed out of proceeds of the Bonds or other short-term obligations issued in an amount not to exceed the principal amount of the Bonds provided by this resolution.

Section 7. 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 severable from the remaining provisions of this resolution, and shall in no way affect the validity of the other provisions of this resolution or of any other resolution or of the Bonds.

Section 8. Effective Date. This resolution shall be effective immediately after its adoption in the manner provided by law.

Section 9. Ratification of Prior Acts. Any action taken consistent with the authority and prior to the effective date of this resolution is hereby ratified, approved and confirmed.


PASSED this 21st day of February, 2012.


Auburn Transportation Benefit District Chair

ATTEST:


Danielle E. Daskam
Secretary to the Board

APPROVED AS TO FORM


Hugh D. Spitzer, Foster Pepper PLLC
Bond Counsel

Auburn Transportation Benefit District

King County Elections is not responsible for the validity or accuracy of the statements, arguments or rebuttals.

Proposition No. 1 General Obligation Bonds - \$59,000,000

The Board of the Auburn Transportation Benefit District adopted Resolution No. 2012-2 concerning a proposition to fund District transportation improvements and projects. If approved, this proposition would authorize the issuance of general obligation bonds to pay the costs of the transportation improvements and projects identified in the City of Auburn six-year Transportation Improvement Plan in an amount not more than \$59,000,000, each series of such bonds maturing within 25 years or less, and authorize the annual levy of excess property taxes to pay and retire such bonds, as provided in Resolution No. 2012-2. Should this proposition be approved?

- YES
 NO

The complete text of this measure is available at the Elections Office or online at www.kingcounty.gov/elections.

Statement in favor

Auburn's citizens know our high-traffic streets badly need repair. We cannot depend on anyone else to fix them – federal and state funds for street repair are very limited. The longer we wait, the more potholes develop and the more costly it becomes to fix them.

That's why local citizens and businesses came together and asked the City of Auburn to **Save Our Streets** by developing an affordable street improvement program. Your **YES** vote will keep our local tax dollars in our community, make our busiest streets safer, help local businesses be more competitive, and create jobs.

Save our Streets will also protect your pocketbook. A citizen-led Arterial Task Force will select and prioritize the projects to maximize resources and minimize disruption. To keep costs down, bonds will be issued over a twenty-five year or less period. Monthly costs for the average homeowner start under \$3, increase up to \$9 and then decline to zero. Every dollar generated by this program must be dedicated to specific road improvements.

Our streets need fixing. This is an affordable and responsible way to do so. Please join us in Voting **YES to Save Our Streets** and **Keep Auburn Moving!**

Statement submitted by: Nancy Colson, Cyril Van Selus and Ed Vander Pol

Explanatory statement

If approved, Prop. 1 would provide revenues for up to twenty-five years that would be specifically dedicated to Auburn's many miles of high-traffic arterial roads, which must be rebuilt and maintained largely with limited local resources. Auburn has worked with citizens and businesses to identify and prioritize the City's arterial roads for preservation projects. The City is prioritizing road preservation because a high quality street system that efficiently moves goods and people enhances our competitiveness and creates a tangible return on investments for businesses and residents. The City has prioritized high-traffic arterial roads in response to concerns that further deterioration of these roads will impact economic development and efficient flow of commuter traffic.

If approved, Prop 1 would dedicate excess property tax revenues to repay general obligation bond proceeds to rebuild and repair a list of citizen-selected arterial street improvement projects over a period of twenty-five years or less. The average \$250,000 home would see a \$4-\$8 per month increase in years one to five (\$36-\$96 per year) and average monthly impacts of \$8-\$9 (\$96- \$113 per year) in years six to year fifteen. Thereafter, as the bonds mature and are paid off, the average annual impact to a homeowner steadily declines and is eventually retired.

The bond funds cannot be used for other projects. The resolution proposing the Proposition (Resolution No. 2012-2, adopted February 21, 2012), states that, if approved, "none of the Bond Proceeds shall be used for any purpose other than preservation purposes related to the Projects."

Statement in opposition

No statement submitted.

Statements in favor of and in opposition to a ballot measure are submitted by committees appointed by the jurisdiction. No persons came forward to serve on the committee and to write a statement in opposition. If you would like to be involved with a committee in the future please contact the jurisdiction.