

TUKWILA SCHOOL DISTRICT NO. 406
KING COUNTY, WASHINGTON

RESOLUTION NO. 862

A RESOLUTION of the Board of Directors of Tukwila School District No. 406, King County, Washington, finding, declaring and directing that certain local circumstances should cause alterations to the specific expenditures from the District's general obligation bonds and State of Washington financing assistance originally authorized in Resolution No. 818; ratifying actions heretofore taken in furtherance of the purposes of this resolution; and providing for other matters properly relating thereto, all as more particularly set forth herein.

ADOPTED: December 12, 2017

This document prepared by:

*FOSTER PEPPER PLLC
1111 Third Avenue, Suite 3000
Seattle, Washington 98101
(206) 447-5339*

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BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TUKWILA SCHOOL DISTRICT NO. 406, KING COUNTY, WASHINGTON, as follows:

Section 1. Findings and Determinations. The Board of Directors (the "Board") of Tukwila School District No. 406, King County, Washington (the "District") takes note of the following facts and hereby makes the following findings and determinations:

(a) Voter Approval of Bonds. On October 26, 2015, the Board adopted Resolution No. 818, providing for the submission to the District's voters at a special election to be held on February 9, 2016, of a ballot proposition authorizing the District to issue its general obligation bonds in the principal amount of no more than \$99,158,706 (the "Bonds") to pay the cost to "make District-wide health safety security and educational infrastructure improvements, renovate and expand Tukwila, Thorndyke and Cascade View Elementary Schools, Showalter Middle School and Foster High School, *construct a Birth-to-Five Center* and Transportation/Technology/ Maintenance Facility, and acquire land" (collectively referred to herein as the "Projects") (emphasis added). At the special election held on February 9, 2016, the District's voters approved the Bonds (the "Bond Authorization").

(b) First Series of Bonds Issued. Pursuant to the Bond Authorization and Resolution No. 827, adopted by the Board on April 12, 2016, the District issued, sold and delivered its Unlimited Tax General Obligation Bonds, 2016, utilizing \$65,158,706 of the Bond Authorization (the "Outstanding Bonds"), leaving \$34,000,000 of the Bond Authorization unissued (the "Remaining Bonds"). The proceeds of the Outstanding Bonds and the Remaining Bonds, including interest earnings thereon and any original issue premium deposited into the District's Capital Projects Fund, are collectively referred to herein as the "Bond Proceeds."

(c) Authorized Use of Bond Proceeds. Resolution No. 818, which was incorporated by reference in the ballot proposition approved by the voters, further defined the Birth-to-Five Center in Section 2(g) to include "Construct and equip a Birth-to-Five Center on a site to be determined by the Board, all as deemed necessary and advisable by the Board" (the "Birth-to-Five Center").

(d) Authorized Use of State Financing Assistance. Section 7 of Resolution No. 818 provided 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 ("State Financing Assistance")

and that the State Financing Assistance must be used, when and in such amounts as it may become available, to carry out and accomplish the Projects.

(e) Alteration of Expenditures from Bond Proceeds and State Financing Assistance. Section 8 of Resolution No. 818 also provided: “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, the District shall not be required to accomplish the Projects and may apply the Bond Proceeds or State Financing Assistance (or any portion thereof) to: (a) other portions of the Projects; (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.”

(f) Public Hearing Necessary to Alter Expenditures. RCW 28A.530.020(2) provides: “If the school board subsequently determines that state or *local circumstances should cause any alteration to the specific expenditures from the debt financing or of the state assistance*, the board shall first conduct a public hearing to consider those circumstances and to receive public testimony. If the board then determines that any such alterations are in the best interests of the district, it may adopt a new resolution or amend the original resolution at a public meeting held subsequent to the meeting at which public testimony was received.” (Emphasis added.)

(g) Local Circumstances Warrant Alterations. Since the adoption of Resolution No. 818, the February 9, 2016 bond election and the issuance of the Outstanding Bonds, the following local circumstances have occurred related to the specific expenditures from the Bond Proceeds and the State Financing Assistance for the Projects (collectively, the “Local Circumstances”):

(i) Prior to the Board adopting Resolution No. 818, demographic, student enrollment and cost estimate information indicated that constructing the Birth-to-Five Center would alleviate overcrowding in the District’s elementary schools and cost less than constructing a new elementary school. Since then, construction costs have increased more than expected, student enrollment has decreased and a charter school will be locating within the District. The District Administration presented information regarding these new circumstances to the Board and the public at the August 16, 2017, Board Meeting. After further research and analysis, the District Administration now believes that facilities for pre-Kindergarten services will more appropriately be located at the District’s elementary schools instead of at a standalone facility.

(ii) In view of the foregoing, District Administration has recommended that the Board, after satisfaction of the public hearing requirements contained in Resolution No. 818 and RCW 28A.530.020: (1) *alter* the specific expenditures from the Bond Proceeds and the State Financing Assistance for the Projects, as originally authorized by Resolution No. 818, to permit the District to use the Bond Proceeds and the State Financing Assistance to pay costs to construct and equip the District’s elementary schools with facilities for the purpose of providing pre-Kindergarten services rather than constructing the Birth-to-Five Center, all as deemed necessary and advisable by the Board (the “Alterations”); and (2) *amend* Resolution No. 818, to reflect the Alterations; provided that, the District may still use the Bond Proceeds and the State Financing Assistance as originally authorized by

Resolution No. 818 (collectively, the “Recommendation”). The Recommendation is incorporated herein by this reference.

(h) Pursuant to Resolution No. 818 and RCW 28A.530.020(2), the District determined to (1) conduct a public hearing, after providing adequate public notice, before the Board on October 12, 2017, concerning whether the Local Circumstances should cause the District to carry out the Alterations and (2) at a future public meeting of the Board, adopt a new resolution or amend Resolution No. 818 to approve and order the Alterations, in such manner as shall be found appropriate, taking into account the Local Circumstances and public testimony presented at the public hearing.

(i) Notice of the public hearing was given by advance publication in the *Seattle Daily Journal of Commerce*, a newspaper of general circulation within the District, the Tacoma News Tribune, a newspaper of general circulation within the District, posted on the Tukwila School District website and emailed to all district staff.

(j) The public hearing was held on October 12, 2017, and, at such hearing, the District’s Secretary to the Board (the “Secretary”) and the District’s consultant KMB Architects described the Local Circumstances and Alterations. Further, the public was given the opportunity to speak, and all who wished to speak were heard.

(k) In addition to the testimony and other evidence received at the public hearing on October 12, 2017, and the Recommendation, the Board has also considered the following objectives: (i) addressing urgent and necessary improvements to school facilities; (ii) improving the quality of the educational programs offered; (iii) achieving efficiency in the construction, maintenance and operation of District facilities; (iv) promoting the best interest of the District, its students and patrons; and (v) such other criteria as the Board may deem appropriate.


Section 2. Alterations Approved and Ordered. After due consideration, and being fully informed and advised, the Board finds and declares that it is in the best interest of the District, its students and patrons, that the specific expenditures from the Bond Proceeds and State Financing Assistance for the Projects originally authorized in Resolution No. 818 should be and they are hereby altered to permit the District to use the Bond Proceeds and State Financing Assistance to carry out and accomplish the Alterations as defined herein, and the term “Projects” as defined, described and authorized in Resolution No. 818, is hereby deemed amended to include the Alterations. Except as so amended, Resolution No. 818 shall remain in full force and effect, and the District may still use the Bond Proceeds and State Financing Assistance as originally authorized by Resolution No. 818. It is so ordered.

Section 3. General Authorization and Ratification. The Secretary, the President of the Board, other appropriate officers of the District and the District’s special counsel, Foster Pepper PLLC, are hereby further severally authorized to take all other action, to do all other things consistent with this resolution, and to execute all other documents necessary to effectuate the provisions of this resolution, and all actions heretofore taken in furtherance thereof and not inconsistent with the provisions of this resolution are hereby ratified and confirmed in all respects.

Section 4. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED by the Board of Directors of Tukwila School District No. 406, King County, Washington, at a regular open public meeting thereof, held this 12th day of December, 2017, the following Directors being present and voting in favor of the resolution.

TUKWILA SCHOOL DISTRICT NO. 406
KING COUNTY, WASHINGTON



President and Director




Vice President and Director



Director



Director



Director

ATTEST:



DR. JUDITH BERRY
Secretary to the Board of Directors

CERTIFICATE

I, JUDITH BERRY, Secretary to the Board of Directors (the "Board") of Tukwila School District No. 406, King County, Washington (the "District"), hereby certify as follows:

1. The foregoing Resolution No. 862 (the "Resolution") is a full, true and correct copy of the Resolution duly adopted at a regular meeting of the Board held at the regular meeting place thereof on December 12, 2017, as that Resolution appears on the minute book of the District, and the Resolution is now in full force and effect; and

2. A quorum of the members of the Board was present throughout the meeting and a sufficient number of members of the Board present voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of December, 2017.

TUKWILA SCHOOL DISTRICT NO. 406
KING COUNTY, WASHINGTON


DR. JUDITH BERRY
Secretary to the Board of Directors