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PENINSULA SCHOOL DISTRICT NO. 401
PIERCE COUNTY, WASHINGTON

BONDS TO REDUCE ELEMENTARY SCHOOL OVERCROWDING
AND IMPROVE SAFETY

RESOLUTION NO. 18-14

A RESOLUTION of the Board of Directors of Peninsula School District No. 401, Pierce County, Washington, providing for the form of the ballot proposition and specifying certain other details concerning submission to the qualified electors of the district at a special election to be held therein on February 12, 2019, of a proposition for the issuance of its general obligation bonds in the aggregate principal amount of \$198,550,000, or so much thereof as may be issued under the laws governing the indebtedness of school districts for the purpose of providing funds for reducing elementary school overcrowding and improving safety and authorizing the Superintendent and/or Chief Financial Officer to submit a request for eligibility for the Washington State School District Credit Enhancement Program.

ADOPTED NOVEMBER 8, 2018

PREPARED BY:

K&L GATES LLP
Seattle, Washington

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PENINSULA SCHOOL DISTRICT NO. 401
RESOLUTION NO. 18-14

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* This table of contents and the cover page are not a part of this resolution; they are included for convenience of the reader only.

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RESOLUTION NO. 18-14

A RESOLUTION of the Board of Directors of Peninsula School District No. 401, Pierce County, Washington, providing for the form of the ballot proposition and specifying certain other details concerning submission to the qualified electors of the district at a special election to be held therein on February 12, 2019, of a proposition for the issuance of its general obligation bonds in the aggregate principal amount of \$198,550,000, or so much thereof as may be issued under the laws governing the indebtedness of school districts for the purpose of providing funds for reducing elementary school overcrowding and improving safety and authorizing the Superintendent and/or Chief Financial Officer to submit a request for eligibility for the Washington State School District Credit Enhancement Program.

WHEREAS, improved facilities are needed in Peninsula School District No. 401, Pierce County, Washington (the "District") in order to provide the students of the District with safe, adequate and efficient educational facilities; and

WHEREAS, in order to provide all or a part of the funds to enable the District to undertake renovations, modernizations and upgrades to the District's existing facilities and construct two new elementary schools, it is deemed necessary and advisable that the District issue and sell its unlimited tax general obligation bonds, to be issued over a multi-year period, to provide funds for such purposes; and

WHEREAS, the Constitution and laws of the state of Washington provide that the question of whether or not such bonds may be issued and sold for such purposes must be submitted to the qualified electors of the District for their ratification or rejection; and

WHEREAS, in RCW ch. 39.98 (the "Credit Enhancement Act"), the State Legislature established a credit enhancement program (the "Program") for voter-approved school district general obligation bonds; and

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WHEREAS, Section 39.98.040 of the Credit Enhancement Act authorizes the State Treasurer to make a determination that a school district is eligible for participation in the Program if the State Treasurer determines that the District is eligible under rules adopted by the state finance committee; and

WHEREAS, the District may elect to participate in the Program upon an administrative determination that it is cost-effective;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PENINSULA SCHOOL DISTRICT NO. 401, PIERCE COUNTY, WASHINGTON, as follows:

Section 1. Findings. This Board of Directors (the “Board”) hereby finds and declares that the best interest of the students and other inhabitants of the District require the District to carry out the plans hereinafter provided at the time or times and in the order deemed most necessary and advisable by the Board.

Section 2. Capital Improvements. The District shall undertake the following capital improvements (the “Improvements”) to provide additional capacity and provide upgrades and safety enhancements:

- Rebuild and expand Artondale Elementary School and Evergreen Elementary School;
- Construct and equip a new elementary school to relieve overcrowding, to be built on the Harbor Hills North site, which is currently owned by the District;
- Acquire land as necessary and construct and equip a new elementary school to relieve overcrowding;

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- With remaining funds, if any, undertake major modernization projects, including safety and accessibility improvements, necessary heating, ventilation and air conditioning and roof replacements as needed throughout the District.

The cost of all necessary planning, architectural, engineering, and other consulting services, inspection and testing, administrative and relocation expenses, on and off-site utilities, related improvements and other costs incurred in connection with the making of the foregoing capital improvements shall be deemed a part of the costs of the Improvements. Such Improvements shall include all necessary furniture, equipment and appurtenances.

The District shall determine the application of available moneys as between the various Improvements so as to accomplish, as nearly as may be, all of the Improvements described or provided for in this section. The District shall determine the exact extent and specifications for construction of structures and portables during construction. In the event that the proceeds of sale of the Bonds, plus any other moneys of the District legally available, are insufficient to accomplish all of the Improvements provided by this section, the District shall use the available funds for paying the cost of those Improvements for which the Bonds were approved deemed by the Board most necessary and in the best interest of the District.

If the Board determines that it has become impractical to accomplish any of such Improvements or portions thereof by reason of state or local circumstances, including changed conditions, incompatible development, lack of additional state funding, or costs substantially in excess of those estimated, the District shall not be required to accomplish such Improvements and shall either (1) not issue Bonds or (2) apply the Bond proceeds to the payment of principal of or interest on the Bonds, thereby reducing tax levies for debt service.

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If available funds are in excess of the amount required to complete the Improvements, the balance of such funds may be used to pay the principal of or interest on the Bonds, thereby reducing the tax levies for debt service. In the alternative, if available funds are sufficient, the District shall construct, equip and make other capital improvements to the facilities of the District, all as the Board of Directors may determine, after holding a public hearing thereon pursuant to RCW 28A.530.020.

It is anticipated that the District may receive matching funds from the state of Washington pursuant to Chapter 28A.525 RCW. The District intends to apply such state funds to the completion of the Improvements. Such funds may also be applied to pay the principal of or interest on the Bonds provided for herein or to make other capital improvements to the facilities of the District as the Board may determine after holding a public hearing thereon pursuant to RCW 28A.530.020.

Section 3. Authorization of Bonds. For the purpose of providing all or a part of the funds necessary to pay the cost of the Improvements, together with incidental costs and costs related to the sale and issuance of the bonds, the District shall issue and sell its unlimited tax general obligation bonds, to be issued over a multi-year period, in the principal amount of not to exceed \$198,550,000. The balance of the cost of the Improvements shall be paid out of any money which the District now has or may later have on hand which are legally available for such purposes. None of said bond proceeds shall be used for the replacement of equipment or for any other than a capital purpose. Such bonds shall be issued in an amount not exceeding the amount approved by the qualified electors of the District as required by the Constitution and laws of the state of Washington or exceeding the amount permitted by the Constitution and laws of the state of Washington.

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Section 4. Details of Bonds. The bonds provided for in Section 3 hereof shall be sold in such amounts and at such time or times as deemed necessary and advisable by this Board and as permitted by law, shall bear interest at a rate or rates not to exceed the maximum rate permitted by law at the time the bonds are sold, and shall mature in such amounts and at such times within a maximum term of twenty (20) years from date of issue, but may mature at an earlier date or dates, as authorized by this Board and as provided by law. Said bonds shall be general obligations of the District and, unless paid from other sources, both principal thereof and interest thereon (including original issue discount) shall be payable out of annual tax levies to be made upon all the taxable property within the District without limitation as to rate or amount and in excess of any constitutional or statutory tax limitations. The exact date, form, terms and maturities of said bonds shall be as hereafter fixed by resolution of the Board. After voter approval of the bond proposition and in anticipation of the issuance of such bonds, the District may issue short term obligations as authorized and provided by Chapter 39.50 RCW.

Section 5. Election. It is hereby found and declared that the best interests of the District requires the submission to the qualified electors of the District of the proposition of whether the District shall issue the Bonds at a special election to be held on February 12, 2019. The Pierce County Auditor as *ex officio* supervisor of elections is hereby requested also to call and conduct the special election to be held within the District and to submit to the qualified electors of the District the proposition set forth below. The Secretary of the Board is hereby authorized and directed to certify the proposition to said officials in the following form:

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PROPOSITION NO. 1
PENINSULA SCHOOL DISTRICT NO. 401

BONDS TO REDUCE ELEMENTARY SCHOOL
OVERCROWDING AND IMPROVE LEARNING -
\$198,550,000

The Board of Directors of Peninsula School District No. 401 adopted Resolution No. 18-14 concerning this proposition for bonds. This proposition would authorize the District to rebuild and expand Artondale and Evergreen Elementary Schools; acquire a site if necessary, construct and equip two new elementary schools and necessary major modernization projects at District schools, to issue up to \$198,550,000 of general obligation bonds to be issued in series, each maturing within a maximum of 20 years, and to levy excess property taxes annually to repay the bonds, as provided in Resolution No. 18-14. Should this proposition be approved?

YES

NO

The Secretary of the Board of Directors is hereby authorized to deliver a certified copy of this resolution to the Pierce County Auditor.

Section 6. Request for Eligibility for the Credit Enhancement Program. In preparation for the issuance and sale of the Bonds after approval by the voters, the Board of Directors hereby requests that the State Treasurer issue a certificate of eligibility in favor of the District for participation by the District in the Program with respect to the Bonds. The Superintendent and/or Chief Financial Officer is hereby authorized (following voter approval) to submit such applications, resolutions and certifications as shall be required by the State Treasurer in reviewing the District's request for participation.

Section 7. 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 Financial Officer (Karen K. Andersen), telephone: 253.530.1004; fax: 253.530.1010;

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email: andersenk@psd401.net, and (b) bond counsel, K&L Gates LLP (Cynthia Weed), telephone: 206.370.7801; fax: 206.623.7022; email: cynthia.weed@klgates.com, as the individuals to whom the Pierce County Auditor shall provide such notice. The Chief Financial Officer is authorized to approve changes to the ballot title, if any, deemed necessary by the Pierce County Auditor or the Pierce County Prosecuting Attorney.

Section 8. Severability. In the event that any provision of this resolution shall be held to be invalid, such invalidity shall not affect or invalidate any other provision of this resolution or the Bonds, but they shall be construed and enforced as if such invalid provision had not been contained herein; provided, however, that any provision which shall for any reason be held by reason of its extent to be invalid shall be deemed to be in effect to the extent permitted by law.

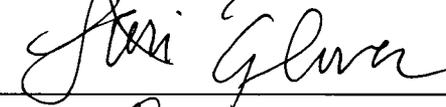
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Section 9. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED by the Board of Directors of Peninsula School District No. 401, Pierce County, Washington, at a regular meeting held this 8th day of November, 2018.

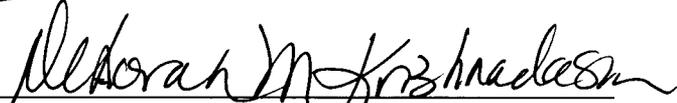
PENINSULA SCHOOL DISTRICT NO. 401,
PIERCE COUNTY, WASHINGTON











Directors

ATTEST:



Secretary of the Board of Directors

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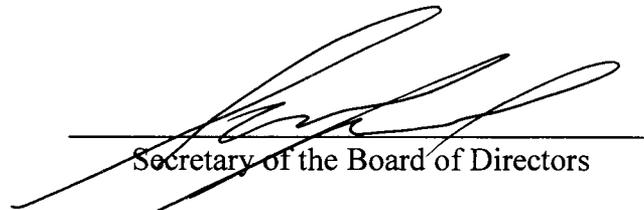
CERTIFICATE

I, the undersigned, Secretary of the Board of Directors of Peninsula School District No. 401, Pierce County, Washington (the "District"), and keeper of the records of the Board of Directors (the "Board"), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 18-14 of the Board (herein called the "Resolution"), duly adopted at a regular meeting thereof held on the 8th day of November, 2018.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Board voted in the proper manner for the adoption of said Resolution; that all other requirements and proceedings incident to the proper adoption of said Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of November, 2018.



Secretary of the Board of Directors

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OFFICIAL BALLOT

PENINSULA SCHOOL DISTRICT NO. 401
PIERCE COUNTY, WASHINGTON

February 12, 2019

INSTRUCTIONS TO VOTERS: To vote in favor of the following proposition, place a cross (X) in the square opposite the word "YES"; to vote against the following proposition, place a cross (X) in the square opposite the word "NO."

PROPOSITION NO. 1
PENINSULA SCHOOL DISTRICT NO. 401

BONDS TO REDUCE ELEMENTARY SCHOOL
OVERCROWDING AND IMPROVE SAFETY - \$198,550,000

The Board of Directors of Peninsula School District No. 401 adopted Resolution No. 18-14 concerning this proposition for bonds. This proposition would authorize the District to rebuild and expand Artondale and Evergreen Elementary Schools; acquire a site if necessary, construct and equip two new elementary schools and necessary major modernization projects at District schools, to issue up to \$198,550,000 of general obligation bonds to be issued in series, each maturing within a maximum of 20 years, and to levy excess property taxes annually to repay the bonds, as provided in Resolution No. 18-14. Should this proposition be approved?

YES

NO

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NOTICE OF SPECIAL ELECTION

PENINSULA SCHOOL DISTRICT NO. 401
PIERCE COUNTY, WASHINGTON

February 12, 2019

NOTICE IS HEREBY GIVEN that on Tuesday, February 12, 2019, a special election will be held in the above-named school district for the submission to the qualified electors of said School district of the following proposition:

PROPOSITION NO. 1
PENINSULA SCHOOL DISTRICT NO. 401

BONDS TO REDUCE ELEMENTARY SCHOOL
OVERCROWDING AND IMPROVE SAFETY - \$198,550,000

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YES

NO

Pierce County Auditor