

ORDINANCE No. 113953

Law Department

COUNCIL BILL No. 106691

The City of Seattle--Legislative

REPORT OF COMMITTEE

AN ORDINANCE relating to design and construction of a new health clinic building for Southeast Seattle; authorizing the Director of Administrative Services to administer the project; and making a reimbursable appropriation from the Cumulative Reserve Fund.

PASS HHS 4/19/88 2-0

Honorable President:

Your Committee on _____

to which was referred the within Council Bill No. _____
report that we have considered the same and respectfully recommend

PASS HHS 4/19/88

COMPTROLLER FILE No. _____

Introduced: APR 18 1988	By: NOLAN
Referred: APR 18 1988	To: <i>Housing + Human Services</i>
Referred:	To:
Referred:	To:
Reported MAY 2 1988	Second Reading: MAY 2 1988
Third Reading: MAY 2 1988	Signed: MAY 2 1988
Presented to Mayor: MAY 3 1988	Approved: MAY 12 1988
Returned to City Clerk: MAY 12 1988	Published:
Vetoed by Mayor:	Veto Published:
Passed over Veto:	Veto Sustained:

5-3-88-0003



Jane Nolan

Committee Chair

GBD:ndc
03/31/88
6:CRFAPPROP

#4
C.B.106691

ORDINANCE 113953

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2
3 AN ORDINANCE relating to design and construction of a new
4 health clinic building for Southeast Seattle; authorizing
5 the Director of Administrative Services to administer the
6 project; and making a reimbursable appropriation from the
7 Cumulative Reserve Fund.

8 WHEREAS, the voters of King County authorized the sale of
9 general obligation bonds for the construction of health
10 facilities, including a Southeast Seattle Community Health
11 Clinic; and

12 WHEREAS, an agreement between the City and King County is
13 anticipated designating the City as responsible for the
14 design and construction of the Southeast Seattle Clinic,
15 and authorizing the transfer funds for that project to the
16 City from the proceeds of the bond issue; and

17 WHEREAS, the completion of bid documents and site preparation
18 are necessary now to maintain project schedule; Now,
19 Therefore,

20 BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

21 Section 1. As requested by the Mayor and the Director of
22 Administrative Services in the materials attached hereto, and
23 as envisioned in the 1988-93 Capital Improvement Program
24 adopted by Ordinance 113728, the sum of One Hundred Seventy-
25 five Thousand Dollars (\$175,000), or so much thereof as shall
26 be necessary, is hereby appropriated from the Cumulative
27 Reserve Fund, Main Subfund, for the completion of design
28 drawings and bid documents, and the removal of asbestos from
and the demolition of vacant buildings on the site of the new
community health clinic planned for Southeast Seattle.

Upon execution of an interlocal agreement with King
County regarding the funding for said clinic, the Cumulative
Reserve Fund shall be reimbursed from proceeds of King County

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1 general obligation bonds authorized by the voters in November,
2 1987, for a project of the sort contemplated herein. The City
3 Comptroller is authorized to draw and the City Treasurer to
4 pay the necessary warrants and make the necessary transfers.

5 Section 2. The Director of Administrative Services is
6 authorized to administer the project contemplated in Section 1,
7 hereof.

8 Section 3. The preparation of designs and bid documents,
9 execution of contracts and agreements, and other acts con-
10 sistent with the authority and prior to the effective date of
11 this ordinance are hereby ratified and confirmed.
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(To be used for all Ordinances except Emergency.)

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Section 4. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council the 2nd day of May, 1988
and signed by me in open session in authentication of its passage this 2nd day of May, 1988
[Signature]
President of the City Council.

Approved by me this 12th day of May, 1988
[Signature]
Mayor.

Filed by me this 12th day of May, 1988.

Norman J. Brooks
Attest: City Comptroller and City Clerk.

Margaret Carter
By: Deputy Clerk.

(SEAL)

Published.....

PUBLISH DO NOT PUBLISH
CITY ATTORNEY _____

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ORDINANCE

AN ORDINANCE relating to the development of a new community clinic building for Southeast Seattle; authorizing the Director of Administrative Services to administer the project; and making a reimbursable appropriation from the Cumulative Reserve Fund.

WHEREAS, the voters of King County authorized the sale of general obligation bonds for the construction of health facilities, including a Southeast Seattle Community Health Clinic; and

WHEREAS, an agreement between the City and King County is anticipated designating the City as responsible for the design and construction of the Southeast Seattle Clinic, and authorizing the transfer funds for that project to the City from the proceeds of the bond issue; and

WHEREAS, the completion of bid documents and site preparation are necessary now to maintain project schedule; Now, Therefore,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. As requested by the Mayor and the Director of Administrative Services in the materials attached hereto, and as envisioned in the 1988-93 Capital Improvement Program adopted by Ordinance 113728, the sum of One Hundred Seventy-five Thousand Dollars (\$175,000), or so much thereof as shall be necessary, is hereby appropriated from the Cumulative Reserve Fund, Main Subfund, for the completion of design drawings and bid documents, and the removal of asbestos from and the demolition of vacant buildings on the site of the new community health clinic planned for Southeast Seattle.

upon execution of an interlocal agreement with King County regarding the funding for said clinic, the Cumulative Reserve Fund shall be reimbursed from proceeds of King County

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King County
Office of Financial Management
 Leticia Macapinlac, Chief Financial Officer
 400 King County Courthouse
 516 Third Avenue
 Seattle, Washington 98104
 (206) 296-3434

ORIGINAL

File with Ordinance
 # 113953
 passed 9/6/88

October 20, 1988

M E M O R A N D U M

OCT 27 1988

TO: Tim Hill, King County Executive
 FM: Leticia Macapinlac, Chief Financial Officer *LM*
 RE: Interlocal Cooperation Agreement between King County and the City of Seattle

Enclosed is the proposed Interlocal Agreement between King County and the City of Seattle regarding financing and operation of the Southeast Seattle Community Health Center. The Agreement was passed by the King County Council on September 19, 1988, by Motion 88-649 and has now been signed by Charles Royer, Mayor of the City of Seattle.

This Agreement is the product of several months of negotiations between staffs of the King County Office of Financial Management, Public Health, the Prosecuting Attorney, the Bond Counsel, and the City of Seattle. The completed Agreement has satisfied all concerns raised during the negotiation process, and I recommend your approving the Agreement.

LM:DG:ms
 M295

cc: Helen Sommers, Administrative Assistant, Office of Finance
 Elise Chayet, Administrative Manager, Department of Public Health
 Bob Stier, Office of Prosecuting Attorney
 Debora Gay, Section Manager, Budget Office

FILED
 CITY OF SEATTLE
 OCT 23 PM 12:23
 COMMUNICATIONS CENTER

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Office Of The Mayor
City of Seattle

Charles Royer, Mayor

RECEIVED 10/20/88 AK
KING COUNTY O.F.M.

TO: _____
DUE DATE _____



ACTION
RESPOND FOR EXEC. SIG. _____
RESPOND FOR DIRECTOR _____
REVIEW / COMMENT _____
DISCUSS WITH DIRECTOR _____
P.Y.I. _____
CC: _____

October 4, 1988

Honorable Tim Hill, County Executive
400 King County Courthouse
516 Third Avenue
Seattle, Washington 98104

Re: Interlocal Cooperation Agreement between King County and the City of Seattle

Dear Mr. Hill:

Enclosed is the proposed Interlocal Agreement between King County and the City of Seattle regarding financing and operation of the Southeast Seattle Community Health Center. It is my understanding that the County Council has approved the agreement and that the bond sale is scheduled for October 17.

Since closing is scheduled for two weeks later, the City will anticipate the transfer of funds on October 31, 1988. If there are any adjustments to your current schedule, please notify JoAnn Cowan in the Budget Office at 684-8080.

Sincerely,

Charles Royer

Enclosure

cc: Norward Brooks

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August 17, 1988

INTERLOCAL COOPERATION AGREEMENT BETWEEN KING COUNTY
AND THE CITY OF SEATTLE
FINANCING OF THE SOUTHEAST SEATTLE COMMUNITY HEALTH CENTER

THIS INTERLOCAL COOPERATION AGREEMENT is entered into between THE CITY OF SEATTLE (hereinafter called the "City") and KING COUNTY (hereinafter called the "County").

ARTICLE I. - RECITALS

On November 3, 1987, King County voters approved the issuance of bonds to finance certain regional health care capital projects and an excess property tax levy to pay the principal of and interest on such bonds. The ballot proposition was authorized by King County Ordinance 8196.

Projects to be funded from bond proceeds include construction of the Southeast Seattle Community Health Center, to be owned and operated by Seattle.

An interlocal cooperation agreement between the County and the City is necessary in order to provide for the transfer of Bond proceeds from the County to the City and to make certain other provisions.

NOW THEREFORE, in consideration of their mutual promises herein contained, the parties agree as follows:

ARTICLE II. - DEFINITIONS

1. Agreement - This Interlocal Cooperation Agreement between King County and the City of Seattle regarding the financing of construction of

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FILED
CITY OF SEATTLE
1988 OCT 28 PM 12:24
COMPTROLLER AND CITY CLERK

- the Southeast Seattle Community Health Center.
2. Bond Ordinance - The ordinance which may be adopted by the King County Council authorizing the issuance and sale of bonds to finance the Health Center Project.
 3. Bond Redemption Fund - The County fund designated by ordinance for the purpose of paying the principal and interest on any Bonds issued.
 4. Bonds - Any bonds, notes or other evidence of indebtedness sold pursuant to the Bond Ordinance.
 5. Capital Costs - The term capital costs shall be construed consistently with the term "capital purposes" in Article VII, Section 2(b) of the Washington Constitution and RCW 84.52.056, and, subject thereto, may include the costs of: a) property acquisition, site preparation and demolition; b) development, design, engineering, architecture, planning, financial, legal, relocation, and other services lawfully incurred incident to the development of the Health Center Project and its financing; and c) construction, renovation, remodeling, equipping, and furnishing the Health Center Project and its financing, including the incidental costs and the costs related to the sale and issuance of the Bonds. The term capital costs shall not include maintenance, operations, or costs for replacement of equipment.
 6. City - The City of Seattle.
 7. Code - The Internal Revenue Code of 1986, as amended, together with all applicable regulations.
 8. County - King County.

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9. Excess Earnings Fund - A County fund into which will be deposited monies earned in excess of that which would have been earned had the bond proceeds been invested at a yield equal to the actuarial yield of the Bonds as defined under Section 148 of the Code.
10. Health Center Project or Project - The construction of a health center facility in the Columbia City neighborhood to be known as the Southeast Seattle Community Health Center.
11. Health Center Construction Fund - The City fund established by ordinance to hold the proceeds of the Bonds during the construction of the Southeast Seattle Community Health Center.
12. Health Department - The Seattle-King County Department of Public Health.
13. Ordinance - King County Ordinance No. 8196.
14. Residual Cash Investment Fund - An accounting method by which monies from separate funds without specific investment authority are consolidated into a common investment portfolio. Interest received by the fund is allocated to participating funds by the City Treasurer in accordance with policies adopted by the City Investment Committee.
15. Taxable Bonds - Bonds, the interest on which is included in the gross income of the recipients of said interest by reason of the failure to comply with the requirements of Section 103 of the Internal Revenue Code.
16. Tax-Exempt Bonds - Bonds, the interest on which is not included in the gross income of the recipients of said interest by reason of Section 103 (a) of the Internal Revenue Code.
17. Verification Agent - Any independent certified public accountant or

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firm of independent certified public accountants who or which is an expert in making rebate calculations with respect to the arbitrage provisions of the Code, selected by the City and approved by the County.

ARTICLE III. - TERM OF AGREEMENT

This Agreement shall be effective when executed by both parties and shall remain in effect for twenty (20) years following the date of issuance of the general obligation Bonds for the Project, unless terminated earlier pursuant to this Agreement.

ARTICLE IV. - HEALTH CENTER PROJECT

Section 4.1 - Project Description

The Project to be constructed with bond proceeds will be called the Southeast Seattle Community Health Center (the "Health Center"). Initially the Health Center will house the services of the Columbia Health Center of the Seattle-King County Department of Public Health and may also house the services of a 501(c)(3) health provider agency. The Health Center will provide health services primarily to the community of Southeast Seattle.

Section 4.2 - Project Location

The Project will be located at the following site:

Lots 14 to 26 inclusive, Block 21 Squire's Lakeside Addition to Seattle, Washington, according to plat recorded in Volume 11 of Plats, page 50, in King County, Washington.

Section 4.3 - Project Size

The Project will consist of three floors with a ground floor of approximately 5,900 gross square feet, a first floor of approximately 17,700 gross square feet and a second floor of approximately 4,500 gross

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square feet, for a total area of approximately 28,100 gross square feet.

Section 4.4 - Services Provided by Health Center

The services currently planned for the Health Center include pediatric and adolescent health services, maternity programs, and related public health services. The services may be modified in the future consistent with community health needs.

Section 4.5 - Ownership Of the Project

The City shall own and is responsible for operation and maintenance of the facility in conformance with all applicable laws.

ARTICLE V. - PROJECT FINANCING

Section 5.1 - County Financing

Subject to the terms of this Agreement, the County agrees to provide bond proceeds in the amount of \$3,534,257 plus any interest thereon prior to the date of transfer, less bond issuance costs, for the Health Center Project. The County shall have no obligation to provide further funds for the Project.

Section 5.2 - County Approval of Proposal Prior to Bond Sale

The County shall not issue Bonds nor approve interim financing prior to execution of this Agreement and King County approval of a specific Project proposal, as set forth below.

The City shall submit the following project information to the County:

- a) narrative description of the Health Center Project, including intended uses of space;
- b) diagrams and floor plans;
- c) detailed project cost estimates, including assumptions used to arrive at them;
- d) cash flow and project construction schedules by month.

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ARTICLE VI - PROJECT CONSTRUCTION

Section 6.1 - City Responsibility

The City shall construct the Project consistent with all federal, state and local laws. In the event the proceeds from the Bonds and investment earnings thereon are not sufficient to pay the full costs of the Project, the City shall be responsible for any remaining costs.

Section 6.2 - Construction Period

Construction of the Health Center Project shall be completed within three years of issuance of the Bonds.

ARTICLE VII. - DISPOSITION OF BOND PROCEEDS

Section 7.1 - Transfer of Proceeds

Upon issuance of the Bonds, the County shall transfer to the City proceeds as described in Section 5.1, less a reserve of \$25,000 for the estimated cost of bond issuance. Any funds not required for such costs shall be transferred to the City.

Section 7.2 - City Construction Fund

The City shall deposit all bond proceeds received from the County into a Health Center Construction Fund and all moneys in such fund shall be expended solely for Capital Costs of the Health Center Project within three years of the issuance of the bonds.

Section 7.3 - Disposition of Remaining Monies

Upon completion of the Project, proceeds of the Bonds and investment earnings thereon, if any, remaining in the Health Center Construction Fund shall be transferred back to the County and deposited into the Bond Redemption Fund for the payment of principal of and interest on the Bonds.

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ARTICLE VIII. - OBLIGATIONS AND RESTRICTIONS - FEDERAL LAW REGARDING TAX EXEMPT

BONDS

Section 8.1 - Compliance with Federal Law, Investment Restrictions

Until all of the principal and interest on the bonds have been paid or redeemed, the City will not use or permit to be used, any of the proceeds of the Bonds or the Health Center in such manner, and shall not take or omit to take any other action, as to cause the interest on the Bonds to be included in the gross income of the recipients thereof for purposes of federal income taxation.

The City shall invest the proceeds of the Bonds only in such investments that will not adversely affect exemption of the interest from federal income taxation, pursuant to the Internal Revenue Code. The investment earnings on all bond proceeds shall be deposited into the Health Center Construction Fund except to the extent such earnings result from a rate of return in excess of the yield on the Bonds. Such excess income shall be transferred to the County monthly for deposit into an Excess Earnings Fund created for that purpose.

The City and the County will:

- a. Provide certificates when and as required by bond counsel or the Internal Revenue Service, when Tax-Exempt Bonds are sold, and/or later, in order to establish or maintain the tax-exempt status of the Bonds;
- b. Comply with any requirements imposed by the Code or regulations promulgated thereunder, in order to preserve the tax-exempt status of the Bonds; and
- c. Cooperate in any audit by the Internal Revenue Service, including disclosure of any records, contracts, and other materials required by

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the Internal Revenue Service, as may be required to establish or preserve such exemption or as may be required by the Code.

Section 8.2 - Reporting

During construction of the Health Center, the City shall provide quarterly written reports to the County. The quarterly reports shall be provided within thirty days following the end of each quarter. The quarterly reports shall contain the following information:

- a. An accounting of all cash and investment activity including pro rata earnings from Bond proceeds invested as part of the City Residual Cash Investment Fund, and any other pertinent information requested by the County for purposes of determining compliance with the requirements of the Code applicable to the investment of and rebate of excess income on funds in the Health Center Construction Fund;
- b. The status of the construction of the Health Center Project; and
- c. The status of leasing plans for any portion of the Health Center.

The City shall periodically complete a certificate of compliance with the ownership, leasing and use restrictions of this Agreement and shall file such certificate with the Finance Division of the King County Office of Financial Management pursuant to procedures established by the King County Executive.

Section 8.3 - Arbitrage Calculations

The County shall be responsible for calculating and making any rebate payments required by the Code due to arbitrage earnings. The City agrees to cooperate with the County and provide such information regarding the use and investment of Bond proceeds (or amounts deemed to be Bond proceeds pursuant to the Code) as the County may request for the purposes of calculating such rebate

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payments.

Section 8.4 - Verification Agent, Report, City Responsibility in Event of
Deficiency

The City shall, within six months following completion of construction, obtain a written report or reports of an independent Verification Agent or Agents with respect to arbitrage rebate on that portion of the Bonds allocated to the financing of the Capital Costs of the Health Center Project. The City shall obtain the County's approval of such independent Verification Agent and the fees and expenses incurred shall be borne by the City.

If the report of the Verification Agent indicates that the amount transferred from the City to the County's Excess Earnings Fund is less than the excess income on the relevant portion of the Bonds calculated in accordance with the Code, the City shall pay to the County such deficiency upon request.

Section 8.5 - Use of the Health Center

The City shall only allow all or portions of the Health Center to be used for other than health care purposes if it is determined by the County that:

a) the proposed use will not affect the tax-exempt status of the bonds, b) the proposed use will be permitted under Washington law, and c) the health care needs of the community will be met with the proposed change of use. The County's consent shall be in writing and may contain such conditions as are reasonably necessary to ensure that the requirements of this Section are met.

Section 8.6 - Leasing

The City shall have the right to lease all or portions of the Health Center to other governmental entities and/or 501(c)(3) non-profit corporations that will provide services at the Health Center provided that: a) the County

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has determined that such leases will not affect the tax-exempt status of the Bonds, and b) that such leases are permitted under Washington law. Such leases may be in the form of mutual and offsetting benefit leases.

Section 8.7 - Indemnification for Loss of Tax-Exempt Status

In the event the Bonds become Taxable Bonds as a result of the acts or omissions of the City not approved in writing by the County, the City shall indemnify and hold the County, its officers and agents (including Bond counsel) harmless with respect to bondholders' claims, including the County's attorneys fees and costs in defending such claims.

ARTICLE IX - INDEMNIFICATION AND INSURANCE

Section 9.1 - Indemnification

Each party shall indemnify and hold the other harmless from and against any claims, damages, demands, expenses, liabilities and taxes of any nature whatsoever resulting from the negligent acts or omissions of the indemnifying party, arising from or in any way connected to the performance of this agreement and/or financing of this Health Center Project through the proceeds of the Bonds, including, but not limited to the liability on said Bonds, or untrue statements of material fact in any statement, information or material that the City supplies to the County for use in any official statement utilized by the County in connection with the sale of the Bonds.

Section 9.2 - Insurance

From the time the County first transfers the bond proceeds to the City pursuant to this Agreement, the City shall be responsible for protecting the Health Center against any loss and/or damage and for replacement or repair of

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the facility, except as provided in Section 9.1 above. The City shall insure the Health Center to its full value by obtaining property insurance in an "all risk" form (including earthquake and flood coverage) or by self-insuring the Health Center to the same coverage provided by such a policy.

ARTICLE X. - OTHER PROVISIONS

Section 10.1 - Surrender of Premises

At the expiration of the term of this Agreement and upon notification in writing by the County that all terms, conditions and obligations contained in this Agreement have been fulfilled, the County agrees to quit and surrender to the City, all County interests arising under this Agreement in the premises and all buildings and improvements then on the premises, including all of the same constructed by the Health Center Project described in Section 4.1 above.

Section 10.2 - Non-Performance by the City

The City shall, without unreasonable delay, undertake and complete the construction of the facility to be used as the Health Center. In no event shall the County be liable for money damages by reason of any default or non-performance by the City.

Section 10.3 - City Obligation if Operation of Health Center is Discontinued

The City shall operate and maintain the Health Center as a health care facility at a level consistent with other health clinics operated by the Health Department during the term of this Agreement. In the event that the City determines to abandon the Project or to discontinue operation of the Southeast Seattle Community Health Center during this Agreement, prior to abandonment or discontinuance, the City shall provide to the County sufficient funds to defease

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the pro rata portion of the Bonds related to the Health Center. Upon provision of the necessary funds to the County, the City shall be relieved from its obligations under this Agreement.

Section 10.4 - Binding on Successors and Assigns

This Agreement shall be binding upon the successors and assigns of the parties.

Section 10.5 - Notices

Any notice, consent, demand, or other communication hereunder shall be in writing and shall be deemed to have been given if delivered in person or deposited in any United States Postal Service mailbox, sent by registered or certified mail, return receipt requested and first-class postage prepaid, addressed to the party for whom it is intended as follows:

- a. If to the City: Director, Office of Management & Budget, Seattle Municipal Building, Seattle, Washington 98104.
- b. If to the County: Chief Financial Officer, 400 King County Courthouse, Seattle, Washington 98104.

These addressees may be changed by written notice to the other party pursuant to this provision.

Section 10.6 - Interpretation

This Agreement shall be interpreted according to and enforced under the laws of the State of Washington. The venue of any action brought to enforce any provisions of this agreement shall be in King County Superior Court. The paragraph and subparagraph captions in this Agreement are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

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Section 10.7 - Severability

Each provision of this Agreement is severable from all other provisions. In the event any court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable for any reason, all remaining provisions will remain in full force and effect.

Section 10.8 - Amendment

The parties reserve the right to amend or modify this Agreement. Such amendments or modifications must be by written instrument signed by the parties and approved by the City and County Councils.

Section 10.9 - Entire Contract/Waiver of Default

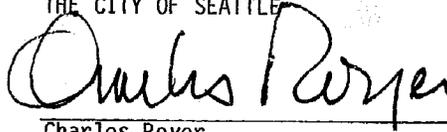
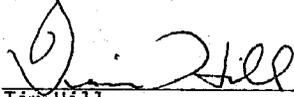
The parties agree that this Agreement is the complete expression of the terms hereto and any oral representations or understandings not incorporated herein are excluded. Both parties recognize that time is of the essence in the performance of the provisions of this Agreement. Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver of breach of any provision of the contract shall not be deemed to be waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the agreement.

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IN WITNESS WHEREOF, authorized representatives of the parties hereto have signed their names in the spaces below.

KING COUNTY

THE CITY OF SEATTLE



Tim Hill
King County Executive

Charles Royer
Mayor, City of Seattle

Date: 10/25/88

Date: 9/26/88

Acting under authority of
Motion No. 7307

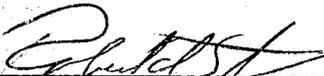
Acting under authority of
Ordinance No. 113953

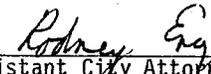
Approved as to form:

Approved as to form:

Norm Maleng,
King County Prosecuting Attorney

Douglas N. Jewett, City Attorney,
The City of Seattle

By: 
Deputy Prosecuting Attorney

By: 
Assistant City Attorney

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September 12, 1988
1419C:CL:clt

INTRODUCED BY: Ron Sims

PROPOSED NO. 88 - 649

MOTION NO. 7307

A MOTION authorizing approval of the Interlocal Agreement with the City of Seattle for Financing the Southeast Seattle Community Health Center.

WHEREAS, in November 1987 King County voters approved the issuance of bonds to finance regional health care capital projects, and

WHEREAS, projects to be funded from bond proceeds include construction of the Southeast Seattle Community Health Center, to be owned and operated by the City of Seattle, and

WHEREAS, an interlocal cooperation agreement between King County and the City of Seattle is necessary to provide for the transfer of bond proceeds in the amount of \$3,534,257 from the county to the city and to ensure compliance with federal law regarding the use of proceeds from tax-exempt bonds, and

WHEREAS, the interlocal cooperation agreement for financing the Southeast Seattle Community Health Center requires county approval of a specific project proposal prior to bond issuance or approval of interim financing;

NOW, THEREFORE, BE IT MOVED by the Council of King County:

A. The attached "Interlocal Cooperation Agreement between King County and the City of Seattle - Financing of the Southeast Seattle Community Health Center" (Attachment A) is approved.

Provided that:

Section 4.3 be corrected to state that "The Project will consist of three floors with a ground floor of approximately 5,900 gross square feet, a first floor of approximately 17,700 gross square feet, and a second floor of approximately 4,500 gross square feet, for a total area of approximately 28,100 gross square feet."

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7307

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B. The attached Southeast Seattle Community Health Center Project Proposal, including narrative description, diagrams and floor plans, detailed project cost estimates, and cash flow and construction schedules (Attachment B), is hereby approved.

PASSED this 19th day of September, 1988.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON
Gary Grant
Chairman

ATTEST:
Donna M. Quinn
Clerk of the Council

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#4
C.B. 106691

HOUSING AND HUMAN SERVICES
COMMITTEE REPORT

April 19, 1988

ORDINANCE PROVIDING A SHORT-TERM LOAN OF \$175,000 FOR INTERIM FINANCING OF
CONSTRUCTION OF THE SOUTHEAST SEATTLE HEALTH CLINIC

BACKGROUND / WHAT THIS BILL DOES

This ordinance appropriates \$175,000 from the main fund of the Cumulative Reserve Fund as an interim finance loan for construction of the Southeast Seattle health clinic, which was approved by voters last fall as part of the countywide Proposition 1 bond issue. \$175,000 will be repaid to the CRF when proceeds from the bond issue are available, which is currently expected to be in June.

The Southeast Seattle health clinic has come before the Council on several occasions in the past, and, as you may remember, the Council appropriated \$130,000 of 1987 Block Grant funds for design of the facility.

Voters approved Proposition 1 last fall, which included construction of this health clinic. Construction funds for the project will not be available, however, until an interlocal agreement is signed between the City and County regarding administrative and operating responsibilities of each entity for the project. This interlocal agreement is currently being negotiated and is expected to be signed in late May. \$175,000 will be repaid to the CRF when funds from the bond issuance become available in June. The attached material includes a letter from the director of the County budget office stating the County's intent to adhere to this schedule. (The amount expected from the County is approximately \$3.5 million plus interest.)

The interim financing will allow the project to continue with a minimum of delay until County funds are available. The interim loan will allow extension of the design contract to produce bid documents, removal of asbestos in the existing buildings on the site, and site demolition. If this ordinance is approved, the project will be ready to go to bid at the beginning of the summer construction season.

The interlocal agreement for the clinic will come before the Council for approval when negotiations are complete. At that point, final building plans will be presented to Council for review.

FOR FURTHER INFORMATION
Alex Harris, DAS 4-0419
Joann Cowan, OMB 4-8073

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City of Seattle

Executive Department-Office of Management and Budget

James P. Ritch, Director
Charles Royer, Mayor

March 30, 1988



COPY RECEIVED

MAR 30 1988

The Honorable Douglas Jewett
City Attorney
City of Seattle

Douglas N. Jewett
CITY ATTORNEY

Dear Mr. Jewett:

The Mayor is proposing to the City Council that the enclosed legislation be adopted.

REQUESTING
DEPARTMENT: Administrative Services

SUBJECT: An Ordinance relating to design and construction of a new health clinic building for Southeast Seattle; authorizing the Director of Administrative Services to administer the project; and making a reimbursable appropriation from the Cumulative Reserve Fund.

Pursuant to the City Council's S.O.P. 100-014, the Executive Department is forwarding this request for legislation to your office for review and drafting.

After reviewing this request and any necessary redrafting of the enclosed legislation, return the legislation to OMB. Any specific questions regarding the legislation can be directed to Bruce Petersen.

Sincerely,

Charles Royer
Mayor

by

[Handwritten signature]
JAMES P. RITCH
Budget Director

JR/bp/fa

Enclosure

cc: Director, Administrative Services

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Your
Seattle
Department of Administrative Services

George Pernsteiner, Director
Charles Royer, Mayor



RECEIVED MAR 29 1988 - OMB

March 29, 1988

839040

Honorable Sam Smith, President
City Council
City of Seattle

VIA: Jim Ritch, Budget Director

Dear Councilmember Smith:

The Department of Administrative Services is transmitting legislation making reimbursable appropriation from the Cumulative Reserve Fund for the Southeast Seattle Health Clinic. The initial design development of this project was funded with \$130,000 of 1988 CDBG funds. That portion of the project design is complete. The remainder of the project was funded as a portion of the countywide bond issue Proposition 1 passed by the voters in the fall of 1987.

In order to commit the funding for the project and to outline the administrative and operating responsibilities of both the City and the County, an interlocal agreement is being negotiated between both parties. The details of this agreement include ownership of the building, maintenance and operation of the building, and administration of a Mutual and Offsetting Benefit agreement with Puget Sound Neighborhood Health Centers. Both agencies anticipate a completed agreement by the end of May 1988. However, until the agreement with the County is final and the money can be used, the project is at a standstill.

In order to minimize the delay, the Department of Administrative Services requests interim funding from the main fund of the Cumulative Reserve Fund. The expenditures will be vouchered directly from the fund to minimize loss of interest earnings. This funding will cover extension of the design contract to produce bid documents, removal of asbestos in the existing buildings on the site, and site demolition. If this funding is authorized, the project will be ready to go out to bid at the beginning of the summer construction season. All funds will be fully reimbursable from the County when the money is transferred. The City Council will receive an ordinance requesting approval of the interlocal agreement when negotiations are complete. A review of the final building plans will be presented to Councilmembers at the time the agreement is submitted. The attached ordinance simply allows the project to continue pending resolution of the interlocal issues.

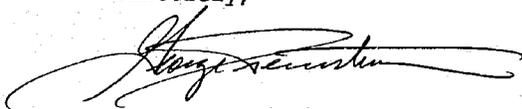
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Honorable Sam Smith
Legislation regarding S.E. Seattle Health Clinic
March 29, 1988
Page 2

Another concern creating urgency in this matter is the condition of the existing buildings at the site. The Seattle Police Department has informed us that these vacant buildings have been identified by the community as a particular hazard for crimes, including arson. Several small fires have already been set at the site in recent months. This appropriation provides funds to remove the asbestos from those buildings (which must be done before demolition can occur) and then to demolish them. As managers of this City-owned site, we would prefer to accomplish this as soon as possible.

If you have any questions concerning this request, please call Alex Harris of my staff at 684-0419.

Sincerely,



George Pernsteiner
Director

GP:pb:cct

Attachments

cc: Alex Harris

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Summary Statement

1. Statement of Objectives

The purpose of this proposed appropriation is to provide funds for the design and site preparation of a Southeast Seattle Community Health Clinic as envisioned in the 1988-93 Capital Improvement Program and approved by the King County voters in November 1987.

2. Dollar Amount Requested

The amount proposed to be appropriated is \$175,000.

3. Fund Source

The amount proposed is to be appropriated from the Cumulative Reserve Main Fund, with the anticipation that this Fund will be reimbursed by a transfer from King County funded by proceeds from the bond issue as authorized by King County voters.

4. Commitment

This proposed appropriation is an element of fulfilling the planned commitment for this project, as defined in the 1988-93 Capital Improvement Program, and does not change the planned level of expenditure for this project.

5. New Positions Required

This proposal involves no new positions.

6. Facilities or Equipment Required

No new equipment or facilities are required for this proposal.

7. Criteria of Project Evaluation

The Council has reviewed this project in previous legislation, Ordinance No. 112701, and recognized its value. This ordinance will secure temporary funding to maintain project schedule.

8. Alternative Methods of Funding

The appropriation could be made from the Emergency Fund in anticipation of reimbursement by King County. The project could be delayed and put on hold until funds are transferred from King County, also delaying and extending the project schedule.

ref: ORD RES AGRMTS Disk#3 (ORD4.2)

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ROUTING SLIP FOR REQUEST FOR LEGISLATIVE ACTION

Originating Department: Administrative Services

Council Sponsor: _____

Date: March 29, 1988

Subject: AN ORDINANCE relating to design and construction of a new health clinic building for Southeast Seattle; authorizing the Director of Administrative Services to administer the project; and making a reimbursable appropriation from the Cumulative Reserve Fund.

Date
Received

Date
Forwarded

OMB: _____

Law: _____

City Clerk: _____

Legislation should be routed in the order listed.

ORD.RT
E Disk

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Mark Chamber

**King County
Office of Financial Management**
Leticia Macapinlac, Chief Financial Officer
400 King County Courthouse
516 Third Avenue
Seattle, Washington 98104
(206) 344-3434

April 5, 1988

Mr. James P. Ritch, Director
Office of Management and Budget
300 Municipal Building
Seattle, Washington 98104

Dear Mr. Ritch:

This is to confirm the conversation between Debora Gay of my office and JoAnn Cowan of your office concerning the schedule for the interlocal cooperation agreement for the Southeast Seattle Health Clinic. It is our understanding that the City is planning to use its own funds for interim financing for the project in the amount of \$175,000 which is adequate to take the project through completion of the design phase. Because of this action, the City will not need bond funds from the County until it goes out to bid for the construction contract in June, 1988. Based upon this revised assumption, we plan to transmit the proposed interlocal cooperation agreement to you during the week of April 11, 1988. Debora Gay has discussed the main issues in the agreement with JoAnn Cowan to familiarize her with the direction the County is setting for the proposed agreement.

It is my understanding that the City will reimburse itself for the \$175,000 advanced for this project from the amount the County will transfer which is \$3,465,689, plus interest less a reserve for bond issuance costs. When the City and County Executive have completed negotiations on the interlocal cooperation agreement, the agreement will be transmitted to the King County Council for final review and approval. Once the County Council approves the agreement, funds may begin to be transferred to the City.

At this time, our Financial Advisors are analyzing the County's options for packaging bond sales for the health care bond issue. Since a reserve for bond issuance costs will be taken from the \$3,465,689 plus interest, available for the health center project, we know you are concerned about the amount of the bond issuance costs. As soon as we have selected a financing option for the Southeast Seattle Health Clinic, we will let you know the estimated cost of bond issuance for the health center.

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James P. Ritch
April 5, 1988
Page 2

If you have additional questions or concerns, please contact me at 296-3434 or
Debora Gay at 296-4032.

Sincerely,

for Dawn Pungachit
Leticia Macapinlac
Chief Financial Officer

cc: Honorable Charles Royer, Mayor, City of Seattle
Honorable Tim Hill, King County Executive
George Pernsteiner, Director, Department of Administrative Services
Jack Thompson, Department of Public Health
Bob Williams, Section Manager, King County Council
Shelly Sutton, Section Manager, King County Council
Bud Nicola, Director, Department of Public Health
ATTN: Elise Chayet
Pat Steel, Physical Services Manager
ATTN: Debora Gay, Budget Analyst

LM/DG/mjm
L.95

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TIME AND DATE STAMP

SPONSORSHIP

THE ATTACHED DOCUMENT IS SPONSORED FOR FILING WITH THE CITY COUNCIL BY THE MEMBER(S) OF THE CITY COUNCIL WHOSE SIGNATURE(S) ARE SHOWN BELOW:



FOR CITY COUNCIL PRESIDENT USE ONLY

COMMITTEE(S) REFERRED TO: _____

PRESIDENT'S SIGNATURE

C S 20 28

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C-469-X

City of Seattle

ORDINANCE 113953

AN ORDINANCE relating to design and construction of a new health clinic building for Southeast Seattle; authorizing the Director of Administrative Services to administer the project; and making a reimbursable appropriation from the Cumulative Reserve Fund.

WHEREAS, the voters of King County authorized the sale of general obligation bonds for the construction of health facilities, including a Southeast Seattle Community Health Clinic; and

WHEREAS, an agreement between the City and King County is anticipated designating the City as responsible for the design and construction of the Southeast Seattle Clinic, and authorizing the transfer funds for that project to the City from the proceeds of the bond issue; and

WHEREAS, the completion of bid documents and site preparation are necessary now to maintain project schedule; Now, Therefore:

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. As requested by the Mayor and the Director of Administrative Services in the materials attached hereto, and as envisioned in the 1988-93 Capital Improvement Program adopted by Ordinance 113728, the sum of One Hundred Seventy-five Thousand Dollars (\$175,000), or so much thereof as shall be necessary, is hereby appropriated from the Cumulative Reserve Fund, Main Subfund, for the completion of design drawings and bid documents, and the removal of asbestos from and the demolition of vacant buildings on the site of the new community health clinic planned for Southeast Seattle. Upon execution of an interlocal agreement with King County regarding the funding for said clinic, the Cumulative Reserve Fund shall be reimbursed from proceeds of King County general obligation bonds authorized by the voters in November, 1987, for a project of the sort contemplated herein. The City Comptroller is authorized to draw and the City Treasurer to pay the necessary warrants and make the necessary transfers.

Section 2. The Director of Administrative Services is authorized to administer the project contemplated in Section 1 hereof.

Section 3. The preparation of designs and bid documents, execution of contracts and agreements, and other acts consistent with the authority and prior to the effective date of this ordinance are hereby ratified and confirmed.

Section 4. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council the 2nd day of May, 1988, and signed by me in open session in authentication of its passage this 2nd day of May, 1988.

SAM SMITH,
President of the City Council.
Approved by me this 12th day of May, 1988.

CHARLES ROYER,
Mayor.
Filed by me this 12th day of May, 1988.

Attest: NORWARD J. BROOKS,
City Comptroller and City Clerk.
(Seal) By MARGARET CARTER,
Deputy Clerk.

Publication ordered by NORWARD J. BROOKS, Comptroller and City Clerk.
Date of official publication in Daily Journal of Commerce, Seattle, May 19, 1988.
(C-469-X)

Affidavit of Publication

**STATE OF WASHINGTON
KING COUNTY—SS.**

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a _____
Ordinance No. 113953

_____ was published on May 19, 1988

Subscribed and sworn to before me on
May 19, 1988

Notary Public for the State of Washington,
residing in Seattle.

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