

Proposed by:	Assembly
Bond Counsel:	08/12/2016
Finance Review:	08/18/2016
First Reading:	08/18/2016
Second Reading:	09/01/2016
Vote:	6 Aye 0 Nay 0 Absent

MUNICIPALITY OF SKAGWAY BOROUGH

ORDINANCE NO. 2016-15

AN ORDINANCE of the Municipality of Skagway Borough authorizing the issuance of general obligation bonds in an aggregate principal amount not to exceed \$6,000,000 to finance costs of developing and constructing a senior center and apartments; authorizing submission to the qualified voters of the Borough at the regular election to be held on October 4, 2016, of a proposition for the senior center and apartments project; to be paid by property taxes and appropriating funds for the project, if approved by the voters; and providing for an effective date.

RECITALS

WHEREAS, the Assembly of the Municipality of Skagway Borough (the “Borough”) has determined that it is in the best interests of the Borough and its residents to provide for development and construction of a senior center and apartments (as further described herein, the “Project”); and

WHEREAS, the Assembly wishes to authorize the issuance of not to exceed \$6,000,000 aggregate principal amount of general obligation bonds (the “Bonds”) to pay costs of the Project; and

WHEREAS, the constitution and laws of the State of Alaska require general obligation bond authorizations to be submitted to the qualified voters of the Borough for their ratification or rejection, and the Assembly wishes to submit a question relating to the Project to the voters at the regular October 4, 2016 election;

NOW, THEREFORE, BE IT ORDAINED BY THE BOROUGH ASSEMBLY OF THE MUNICIPALITY OF SKAGWAY BOROUGH, as follows:

Section 1. Classification. This ordinance is not of a permanent and general nature and will not be codified.

Section 2. Findings; Capital Improvements. It is hereby found and declared that the public welfare and benefit require that the Borough acquire, construct and equip a senior center and apartments in a two-story building comprised of a total of 10,510 square feet, to be located on a site owned by the Borough at 11th Street and Broadway (the “Project”).

The cost of all necessary design, architectural, engineering, legal, and other consulting services, inspection and testing, administrative and relocation expenses, on- and off-site utilities,

purchases of furnishings and equipment, and other costs incurred in connection with the Project shall be deemed a part of the costs of the Project. The Borough shall determine the specifications for the Project.

The Borough will determine how to apply available funds to accomplish as nearly as may be the entire Project. If proceeds of the Bonds, plus other funds of the Borough legally available for this purpose, are insufficient to accomplish all of the improvements comprising the Project, the Borough will use the available funds, including Bond proceeds, to pay the cost of those improvements included in the Project that the Borough deems most necessary and in the best interest of the Borough.

If the Assembly determines that it has become impracticable to accomplish all or a portion of the Project because of changed conditions, incompatible development or costs substantially in excess of those estimated, the Borough will not be required to undertake the Project or portion thereof and may apply the Bond proceeds or any portion thereof to the payment of debt service on the Bonds or other general obligation debt of the Borough.

If proceeds of the Bonds remain unexpended and unencumbered for costs of the Project, those remaining Bond proceeds may be applied to pay debt service on the Bonds or other general obligation debt of the Borough, as the Assembly shall determine.

Section 3. Authorization of Bonds. To provide all or a portion of the funds necessary to pay or reimburse costs of the Project and costs of issuance of the Bonds, the Borough will issue and sell its general obligation bonds in an aggregate principal amount not to exceed \$6,000,000 (the "Bonds"). The Bonds will be issued in an amount not exceeding the amount approved by the voters of the Borough and not exceeding the amount permitted by the constitution and laws of the State of Alaska. The balance, if any, of the cost of the Project will be paid out of any other legally available funds, including grants. The Bond proceeds may only be used for capital purposes.

The Bonds will be general obligations of the Borough, and the full faith, credit and resources of the Borough will be pledged to the payment of principal of and interest on the Bonds. Unless paid from other sources, including local sales tax revenue, both principal of and interest on the Bonds will be payable out of annual tax levies to be made upon all taxable property within the Borough without limitation as to rate or amount and in excess of any constitutional, statutory or local tax limitation.

The Bonds will be issued and sold in the amounts and at the time or times as the Assembly finds necessary and advisable and as permitted by law. The Bonds may be issued in one or more series and mature in the amounts and at the times within a maximum term of 30 years from the date of issuance of the Bonds, all as authorized by the Assembly and as provided by law. The date, form, interest rates, terms, redemption provisions, maturities, covenants and manner of sale of the Bonds shall be as hereafter provided by ordinance or resolution of the Assembly. After voter approval of the Bond proposition set forth in Section 4 of this ordinance, and in anticipation of the issuance of the Bonds, the Borough may issue short-term obligations as authorized by the laws of the State of Alaska.

Section 4. Bond Election. A proposition to approve this ordinance and approve issuing the Bonds to pay costs of the Project will be submitted to the qualified voters of the Borough for their ratification or rejection at the regular election to be held in the Borough on October 4, 2016. The bond proposition will be in substantially the following form:

MUNICIPALITY OF SKAGWAY BOROUGH

PROPOSITION 1

\$ 6,000,000 GENERAL OBLIGATION BONDS
SENIOR CENTER AND APARTMENTS FACILITY PROJECT

Shall the Municipality of Skagway Borough incur debt and issue general obligation bonds in a principal amount not to exceed \$6,000,000 maturing within a maximum of 30 years, paid for by property tax mill levy, to pay costs of developing and constructing a new senior center and senior apartments in Skagway, as further described in Ordinance No. 2016-15, and shall Ordinance No. 2016-15 of the Borough authorizing the issuance of bonds for this purpose be approved?

BONDS For

BONDS Against

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Section 5. Appropriation and Reimbursement. If the issuance of Bonds for the Project is ratified at the election authorized by this ordinance, the Borough anticipates that prior to the issuance of those Bonds it may be necessary or desirable to pay certain costs of the Project. Therefore, the Assembly hereby appropriates from the Borough’s general fund so much of the total authorization as may be necessary to carry out the provisions of this ordinance, including paying costs of the Project and costs of issuance of the Bonds. The amounts expended under the appropriation made in this section will be reimbursed to the general fund from the proceeds of sale of those Bonds or short-term obligations authorized by this ordinance. The Assembly hereby declares that this section constitutes a declaration of the Borough’s intent to reimburse the general fund from proceeds of tax-exempt bonds within the meaning of Treasury Regulation § 1.150-2, as promulgated under the Internal Revenue Code of 1986, as amended.

Section 6. Notice. The Borough Clerk will provide for notice, publication and posting of this ordinance and the ballot proposition authorized by this ordinance in accordance with the provisions of the Borough Municipal Code and state law. The Borough Clerk will also provide for the publication of notice of the total existing bond indebtedness of the Borough, in form and content as prescribed by AS 29.47.190(b), at least once a week for three consecutive weeks, the first such notice to be published at least 20 days before the date of the election.

Section 7. Severability. If any one or more of the provisions of this ordinance is for any reason held to be invalid, such invalidity shall not affect or invalidate any other provision of this ordinance or the Bonds, but this ordinance and the voter-approved Bonds shall be construed and enforced as if such invalid provision had not been contained herein; provided, however, that any provision that is for any reason held by reason of its extent to be invalid shall be deemed to be in effect to the extent permitted by law.

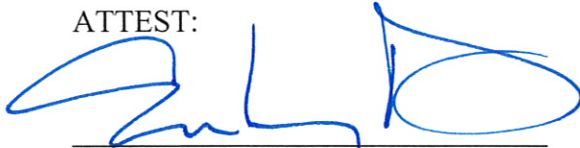
Section 8. Effective Date. This ordinance will become effective from and after the date of its passage, as provided in Section 3.01.080(B)(1) of the Borough Municipal Code. All acts taken pursuant to the authority of this ordinance but prior to its effective date are hereby ratified

ADOPTED AT A REGULAR MEETING OF THE ASSEMBLY OF THE MUNICIPALITY OF SKAGWAY BOROUGH ON SEPTEMBER 1, 2016.

MUNICIPALITY OF SKAGWAY
BOROUGH

By  _____
Mayor

ATTEST:



Borough Clerk



CLERK'S CERTIFICATE

I, the undersigned, Borough Clerk of the Municipality of Skagway (the "Borough"), and keeper of the records of the Borough Assembly (the "Assembly"), DO HEREBY CERTIFY:

1. That the attached Ordinance (the "Ordinance") is a true and correct copy of Ordinance No. 2016-15 of the Borough, as finally passed at a meeting of the Assembly held on September 1, 2016, and duly recorded in my office.

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 quorum was present throughout the meeting and a legally sufficient number of members of the Assembly voted in the proper manner for the adoption of the Ordinance; that all other requirements and proceedings incident to the proper adoption of the Ordinance have been fully 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 September 6, 2016.



Borough Clerk
Municipality of Skagway

