

Presented by: The Manager
Introduced: 07/20/2020
Drafted by: Bond Counsel

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2020-40(b)(am)

An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed Fifteen Million Dollars to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition or Propositions to the Voters at the Election to Be Held Therein on October 6, 2020.

WHEREAS, improvements and renovations to the infrastructure and facilities of the City and Borough of Juneau, Alaska (the “City and Borough”) are needed in order to meet the current and future needs of the City and Borough; and

WHEREAS, the COVID-19 epidemic has placed unprecedented strain on the Juneau economy; and

WHEREAS, strained municipal revenues have caused certain public infrastructure projects to be delayed for lack of current funding; and

WHEREAS, economic stress and uncertainty has caused businesses to delay infrastructure projects that would have generated local economic activity; and

WHEREAS, history has demonstrated the economic stabilization and recovery benefits that accrue from public infrastructure spending in times of economic stress; and

WHEREAS, a number of school facilities are in urgent need of roof and facility repairs that have been deferred due to lack of funding; and

WHEREAS, the Parks and Recreation Department has worked with the community to develop detailed master plans to repair and improve specific parks, playgrounds, and other infrastructure that has reached the end of its useful life, yet remain unbuilt because of a lack of funding; and

WHEREAS, maintenance and improvement of surface transportation routes provides a long-term benefit for residents and businesses; and

WHEREAS, energy efficiency building maintenance projects can reduce future expenditure on heating fuel and electricity and reduce greenhouse gas emissions; and

WHEREAS, certain projects listed in Section 3 below (the “Projects”) have been identified and approved by the Committee of the Whole as necessary to meet the needs of the City and Borough; and

WHEREAS, in order to provide funds for paying the cost of acquiring, constructing, renovating and equipping the Projects, it is deemed necessary and advisable that the City and Borough issue and sell its unlimited tax levy general obligation bonds in the principal amount of not to exceed \$15,000,000 (the “Bonds”);

NOW, THEREFORE, BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Findings. The Assembly of the City and Borough hereby finds and declares that the acquisition, construction, renovation and equipping of the Projects identified in Section 3 hereof are necessary and are in the best interest of the inhabitants of the City and Borough.

Section 3. Purposes. The Assembly has determined that the City and Borough is in need of the following:

- Critical school roof repairs/replacements and other critical school repairs;
- Repairs and capital improvements to municipal park infrastructure and recreation facilities; and
- Repairs and capital improvements to municipal infrastructure, specifically city streets and energy efficiency building maintenance projects.

The foregoing are herein referred to as the “Projects.” The cost of all necessary architectural, engineering, design, and other consulting services, inspection and testing, administrative and relocation expenses, costs of issuance of the Bonds and other costs incurred in connection with the Projects that is approved by the electors shall be deemed capital improvement costs of the approved Projects. The approved Projects may be completed with all necessary furniture, equipment and appurtenances.

If the City and Borough shall determine that it has become impractical to accomplish any portion of the approved Projects by reason of changed conditions or needs, incompatible development or costs substantially in excess of those estimated, the City and Borough shall not be required to accomplish such portions and shall apply Bond proceeds as set forth in this section.

Interest earnings on Bond proceeds may be used and applied by City and Borough, at the direction of the City Manager or his or her designee, for the Projects or for other capital improvements or for the retirement of the Bonds or other general obligation bonds of the City and Borough.

If the approved Projects have been completed in whole or in part, or its completion duly provided for, or its completion found to be impractical, the City and Borough may apply Bond proceeds or any portion thereof as provided in Section 10.10 of the Home Rule Charter.

In the event that the proceeds of sale of the Bonds, plus any other monies of the City and Borough legally available, are insufficient to accomplish the approved Projects, the City and Borough shall use the available funds for paying the cost of those portions of the approved Projects for which the Bonds were approved deemed by the Assembly most necessary and in the best interest of the City and Borough. No Bond proceeds shall be used for any purpose other than a capital improvement.

Section 4. Details of Bonds. The Assembly hereby authorizes the issuance of general obligation bonds in order to fund the costs of the Projects described in Section 3 (the “Bonds”). The Bonds shall be sold in such amounts and at such time or times as deemed necessary and advisable by the Assembly and as permitted by law and shall mature over a period of up to 25 years of date of issue. The Bonds shall be issued in an aggregate principal amount of not to exceed \$15,000,000. The Bonds shall bear interest to be fixed at the time of sale or sales thereof. Both principal of and interest on the Bonds shall be payable from annual tax levies to be made upon all of the taxable property within the City and Borough, without limitation as to rate or amount and in amounts sufficient with other available funds, to pay such principal and interest as the same shall become due.

The full faith, credit, and resources of the City and Borough are hereby irrevocably pledged to the payment of both the principal and interest on such Bonds. The exact form, terms, conditions, contents, security, options of redemption, and such other matters relating to the issuance and sale of said Bonds as are deemed necessary and advisable by the Assembly shall be as hereinafter fixed by ordinance and resolution of the City and Borough.

Section 5. Submission of Question to Voters. The Assembly hereby submits to the qualified electors of the City and Borough the proposition or propositions of whether or not the City and Borough should issue the Bonds for the purpose of financing the costs of the approved Projects at the regular municipal election to be held on October 6, 2020.

The City and Borough clerk shall prepare the ballot proposition(s) to be submitted to the voters as provided by this ordinance and shall perform all necessary steps in accordance with law to place these propositions before the voters at the regular election.

Section 6. Ballot Proposition. The proposition(s) to be submitted to the qualified voters of the City and Borough as required by Section 5 above shall read substantially as follows:

Explanation

The proposition will authorize the issuance of \$15,000,000 in general obligation bond debt for paying the cost of planning, design and construction of municipal infrastructure, facilities and related capital improvements, including school roof replacements, municipal park improvements, street repairs, and energy efficiency building maintenance projects. The total annual debt service costs, assuming an interest rate of 3.5%, will be \$857,000. This amount of debt service would require an annual property tax levy of approximately \$16.75 per \$100,000 of assessed value. This example of a property tax levy is provided for illustrative purposes only.

PROPOSITION NO. ____ GENERAL OBLIGATION BONDS

To promote the health, well-being, education, and economic recovery of the community by repairing school facilities and roofs, improving and maintaining park infrastructure and recreation facilities, repairing streets, and completing energy efficiency building maintenance projects, shall the City and Borough of Juneau, Alaska, issue and sell its general obligation bonds, maturing within 25 years of their date of issue, in the aggregate principal amount of not to exceed \$15,000,000?

BONDS, YES

BONDS, NO

After voter approval of the proposition and in anticipation of the issuance of the Bonds, the City and Borough may issue short term obligations, under such date and in such amount, form, terms, maturity, and bearing such rate or rates of interest, all as may hereafter be fixed by ordinance of the City and Borough, consistent with limitations imposed by State law and by the Home Rule Charter and Code of the City and Borough.

Section 7. Notice of Election. The Assembly shall cause a notice of election to be published once a week for three consecutive weeks in a newspaper for general circulation in the City and Borough. The first notice shall be published not later than September 16, 2020, which is 20 days prior to the regular municipal election. The notice shall contain the information required by Section 10.5 of the Home Rule Charter of the City and Borough.

Section 8. Effective Dates.

(a) The authority to issue general obligation bonds proposed in Section 6 of this ordinance shall become effective on the day following the date the election results are certified for the regular municipal election held on October 6, 2020, if a majority of the qualified voters voting on the proposition set forth in Section 6 votes for the proposition.

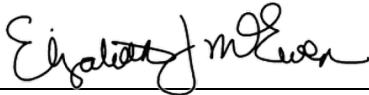
(b) Section 6 of this ordinance authorizing the submission of the ballot proposition to the qualified voters of the City and Borough shall become effective thirty days after adoption of this ordinance.

Adopted this 3rd day of August, 2020.

Attest:



Beth Weldon, Mayor



Elizabeth J. McEwen, Municipal Clerk