

**SPECIAL ASSEMBLY MEETING  
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

August 9, 2018 5:00 PM

City Hall, Assembly Chambers

Special Assembly Meeting #2018-23; Immediately followed by Assembly Committee of the  
Whole Worksession

**I. CALL TO ORDER / ROLL CALL**

**II. AGENDA TOPICS**

- A. Ordinance for Introduction: Ordinance 2018-43: An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed \$7,000,000 to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition to the Voters at the Election to Be Held Therein on October 2, 2018.

This ordinance authorizes placing on the October 2, 2018 general election ballot the question of issuing \$7 million in fifteen-year general obligation bonds for the purpose of funding capital projects. The identified projects include: renovations to Centennial Hall, including upgrading the HVAC system, making improvements to the sound system, lighting system and technology, making improvements to the interior flooring, furnishings and wall systems and expanding the lobby area and construction of an enclosed and heated corridor between Centennial Hall and the potential new arts and culture center.

The temporary 1% sales tax approved by voters during the October 2017 general election will pay for \$2.5 million of the debt service. The remaining \$7 million of debt and interest would require .13 mills in property taxes for debt service payments. This amount of debt service would require an annual property tax levy of approximately \$13 (.13 mills) per \$100,000 of assessed value or approximately \$51 for average single family home (estimated 2018 value \$393,000 per CBJ Assessor).

The annual payment funded by property taxes would be about \$635,000. The Assembly Finance Committee discussed this proposal at its July 25, 2018, meeting.

**The City Manager recommends that this ordinance be introduced, referred to the Committee of the Whole on August 20, 2018 to allow for public testimony and set for public hearing at the Special Assembly meeting also on August 20, 2018.**

B. Scheduling Consideration: Ordinances 2018-39 and 2018-40

*Ordinance 2018-39: An Ordinance Increasing the Hotel-Motel Room Tax by Two Percent and Providing for a Ballot Question Ratifying the Increase.*

*Ordinance 2018-40: An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed \$12,000,000 to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition to the Voters at the Election to Be Held Therein on October 2, 2018.*

**Ordinance 2018-39 regarding an increase in Hotel/Bed Tax and Ordinance 2018-40 regarding bonds for Centennial Hall and the New JACC have been introduced and set for Public Hearing on August 13, 2018. The City Manager recommends that by motion the Assembly forward these Ordinances to the Committee of the Whole on August 20, 2018 and allow public testimony and set them for Public Hearing at the Special Assembly Meeting also on August 20, 2018.**

### **III. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS**

### **IV. ADJOURNMENT**

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: [city.clerk@juneau.org](mailto:city.clerk@juneau.org)

**ASSEMBLY AGENDA/MANAGER'S REPORT  
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

Ordinance for Introduction: Ordinance 2018-43: An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed \$7,000,000 to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition to the Voters at the Election to Be Held Therein on October 2, 2018.

**MANAGER'S REPORT:**

This ordinance authorizes placing on the October 2, 2018 general election ballot the question of issuing \$7 million in fifteen-year general obligation bonds for the purpose of funding capital projects. The identified projects include: renovations to Centennial Hall, including upgrading the HVAC system, making improvements to the sound system, lighting system and technology, making improvements to the interior flooring, furnishings and wall systems and expanding the lobby area and construction of an enclosed and heated corridor between Centennial Hall and the potential new arts and culture center.

The temporary 1% sales tax approved by voters during the October 2017 general election will pay for \$2.5 million of the debt service. The remaining \$7 million of debt and interest would require .13 mills in property taxes for debt service payments. This amount of debt service would require an annual property tax levy of approximately \$13 (.13 mills) per \$100,000 of assessed value or approximately \$51 for average single family home (estimated 2018 value \$393,000 per CBJ Assessor).

The annual payment funded by property taxes would be about \$635,000. The Assembly Finance Committee discussed this proposal at its July 25, 2018, meeting.

**RECOMMENDATION:**

**The City Manager recommends that this ordinance be introduced, referred to the Committee of the Whole on August 20, 2018 to allow for public testimony and set for public hearing at the Special Assembly meeting also on August 20, 2018.**

**ATTACHMENTS:**

Description	Upload Date	Type
☐ Ordinance 2018-43	8/3/2018	Non-Code Ordinance
☐ Ordinance 2018-43 - Version (b)	8/9/2018	Non-Code Ordinance

Presented by: The Manager  
Introduced: 08/09/2018  
Drafted by: Bond Counsel

## ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2018-43

### **An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed \$7,000,000 to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition to the Voters at the Election to Be Held Therein on October 2, 2018.**

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

WHEREAS, in order to provide funds for paying part of the cost of acquiring, constructing 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 \$7,000,000 (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 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:

- A. Renovations to Centennial Hall, including upgrading the HVAC system, making improvements to the sound system, lighting system and technology, making improvements to the interior flooring, furnishings and wall systems, and expanding the lobby area (the “Centennial Hall Project”); and

- B. Construction of an enclosed and heated corridor between Centennial Hall and the new arts and culture center (the “Corridor Project”).

The Centennial Hall Project and the Corridor Project are herein referred to collectively 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 their completion duly provided for, or their 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 as provided in this ordinance, 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 portion of 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 not to exceed 20 years of date of issue. The Bonds shall be issued in an aggregate principal amount of not to exceed \$7,000,000. 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, including sales tax levies, 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 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 2, 2018.

The City and Borough clerk shall prepare the ballot proposition 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 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 \$7,000,000 in general obligation bond debt for paying the cost of renovations, construction, upgrades and capital improvements to the facilities of the City and Borough, including renovations to Centennial Hall, including the HVAC system, improvements to the sound system, lighting system, technology, interior flooring, furnishings and wall systems, expansion of the lobby, and construction of an enclosed corridor between Centennial Hall and the new arts and culture center. The total annual debt service costs, assuming an interest rate of 4.0%, will be \$635,000 for 15 years with \$2.5 million of total debt service expected to be paid from the one percent temporary sales tax approved by voters in 2017 and the remaining balance to be paid from a property tax of approximately \$13 per \$100,000 of assessed value. This example of a property tax levy is provided for illustrative purposes only.

PROPOSITION NO. \_\_\_\_

GENERAL OBLIGATION BONDS

\$7,000,000

For the purpose of renovating Centennial Hall, including upgrading the HVAC system and expanding the lobby, improvements to the sound system, lighting system, technology, interior flooring, furnishings and wall systems, and constructing an enclosed, heated corridor between Centennial Hall and the new arts and culture center within the City and Borough, shall the City and Borough of Juneau, Alaska, issue and sell its general obligation bonds, maturing within 20 years of their date of issue, in the aggregate principal amount of not to exceed \$7,000,000?

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 12, 2018, 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 2, 2018, 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 \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Kendell D. Koelsch, Mayor

Attest:

\_\_\_\_\_  
Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager  
Introduced: 08/09/2018  
Drafted by: Bond Counsel

## ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

### Serial No. 2018-43(b)

#### **An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed \$7,000,000 to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition to the Voters at the Election to Be Held Therein on October 2, 2018.**

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

WHEREAS, if this bond issuance is successful, it is the intent of the Assembly to supplement the facility needs of the City and Borough by providing a two million dollar grant from sales tax previously allocated to Centennial Hall to the New JACC project that is under development by the non-profit Partnership Board that is affiliated with the Juneau Arts and Humanities Council; and

WHEREAS, in order to provide funds for paying part of the cost of acquiring, constructing 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 \$7,000,000 (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 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:



- A. Renovations to Centennial Hall, including upgrading the HVAC system, making improvements to the sound system, lighting system and technology, making improvements to the interior flooring, furnishings and wall systems, and expanding the lobby area (the “Centennial Hall Project”); and
- B. Construction of an enclosed and heated corridor between Centennial Hall and the new arts and culture center (the “Corridor Project”).

The Centennial Hall Project and the Corridor Project are herein referred to collectively 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 their completion duly provided for, or their 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 as provided in this ordinance, 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 portion of 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 not to exceed 20 years of date of issue. The Bonds shall be issued in an aggregate principal amount of not to exceed \$7,000,000. 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, including sales tax levies, 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 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 2, 2018.

The City and Borough clerk shall prepare the ballot proposition 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 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 \$7,000,000 in general obligation bond debt for paying the cost of renovations, construction, upgrades and capital improvements to the facilities of the City and Borough, including renovations to Centennial Hall, including the HVAC system, improvements to the sound system, lighting system, technology, interior flooring, furnishings and wall systems, expansion of the lobby, and construction of an enclosed corridor between Centennial Hall and the new arts and culture center. The total annual debt service costs, assuming an interest rate of 4.0%, will be \$635,000 for 15 years with \$2.5 million of total debt service expected to be paid from the one percent temporary sales tax approved by voters in 2017 and the remaining balance to be paid from a property tax of approximately \$13 per \$100,000 of assessed value. This example of a property tax levy is provided for illustrative purposes only.

PROPOSITION NO. \_\_\_\_

GENERAL OBLIGATION BONDS

\$7,000,000

For the purpose of renovating Centennial Hall, including upgrading the HVAC system and expanding the lobby, improvements to the sound system, lighting system, technology, interior flooring, furnishings and wall systems, and constructing an enclosed, heated corridor between Centennial Hall and the new arts and culture center within the City and Borough, shall the City and Borough of Juneau, Alaska, issue and

sell its general obligation bonds, maturing within 20 years of their date of issue, in the aggregate principal amount of not to exceed \$7,000,000?

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 12, 2018, 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 2, 2018, 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 \_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Kendell D. Koelsch, Mayor

Attest:

\_\_\_\_\_  
Elizabeth J. McEwen, Municipal Clerk

**ASSEMBLY AGENDA/MANAGER'S REPORT  
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

Scheduling Consideration: Ordinances 2018-39 and 2018-40

**MANAGER'S REPORT:**

*Ordinance 2018-39: An Ordinance Increasing the Hotel-Motel Room Tax by Two Percent and Providing for a Ballot Question Ratifying the Increase.*

*Ordinance 2018-40: An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed \$12,000,000 to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition to the Voters at the Election to Be Held Therein on October 2, 2018.*

**RECOMMENDATION:**

**Ordinance 2018-39 regarding an increase in Hotel/Bed Tax and Ordinance 2018-40 regarding bonds for Centennial Hall and the New JACC have been introduced and set for Public Hearing on August 13, 2018. The City Manager recommends that by motion the Assembly forward these Ordinances to the Committee of the Whole on August 20, 2018 and allow public testimony and set them for Public Hearing at the Special Assembly Meeting also on August 20, 2018.**

**ATTACHMENTS:**

Description	Upload Date	Type
☐ Ordinance 2018-39	8/7/2018	Ordinance
☐ Ordinance 2018-40	8/7/2018	Ordinance

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Presented by: The Manager  
Introduced:  
Drafted by: A. G. Mead

**ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2018-39**

**An Ordinance Increasing the Hotel-Motel Room Tax by Two Percent and Providing for a Ballot Question Ratifying the Increase.**

WHEREAS, the City and Borough of Juneau has an existing hotel-motel room tax that provides funding for the development and promotion of tourism, and the municipality's convention and community centers; and

WHEREAS, the proposed two percent increase would serve as an appropriate source of revenue to further develop the visitor, arts, and convention industries in the City and Borough of Juneau.

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

**Section 1. Classification.** Section 2 of this ordinance, if approved by a majority of qualified voters voting on the question pursuant to Sections 3 and 4, shall be of a general and permanent nature and shall become a part of the City and Borough code. Sections 3 and 4 are noncode sections.

**Section 2. Amendment of Section.** CBJ 69.07.020 Imposition of hotel-motel room rental tax, is amended to read:

**69.07.020 Imposition of hotel-motel room rental tax.**

(a) The City and Borough hereby levies a tax on hotel-motel room rentals for transients equal to nine ~~seven~~ percent of the room rent. The tax shall be applicable to all room rentals for

transients unless the rental is specifically exempted from taxation by constitution or other valid law.

...

**Section 3. Submission to the Voters.** The question of whether to increase the rate of the hotel-motel room tax from seven to nine percent beginning January 1, 2019, shall be submitted to the qualified voters of the City and Borough at the next regular municipal election. The Municipal Clerk shall prepare the ballot proposition as provided by this ordinance and shall perform all necessary steps in accordance with law to place this proposition before the voters.

**Section 4. Proposition.** The proposition to be submitted to the voters as required by Section 3 shall read substantially as follows:

**Explanation**

Juneau currently levies a seven percent tax on hotel-motel room rentals. This ballot proposition, if approved by the voters, would increase the hotel-motel room rental tax from seven percent to nine percent beginning January 1, 2019.

It is the intent of the Assembly to use this increase in the hotel-motel room rental tax to provide partial funding for the construction of capital improvements for the Juneau Arts & Culture Center and as funding for improvements to Centennial Hall, visitor information, marketing services, and other tourism and visitor services and facilities.

**PROPOSITION NO. \_\_\_\_**

**Authorization to Increase the Hotel-Motel Room Tax from Seven to Nine Percent Effective January 1, 2019.**

Shall the City and Borough of Juneau, Alaska, increase the tax on hotel-motel room rentals from seven to nine percent?

Increase the tax on hotel-motel room rentals to nine percent YES [ ]

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Increase the tax on hotel-motel room rentals to nine percent NO [ ]

**Section 5. Effective Dates.**

(a) The amendment of CBJ 69.07.020(a) set forth in Section 2 of this ordinance shall become effective on January 1, 2019, if the proposition required by Sections 3 and 4 of this ordinance is approved by a majority of the qualified voters of the City and Borough voting on the proposition at the next regular municipal election.

(b) Sections 3 and 4 of this ordinance authorizing the submission of the ballot proposition to the qualified voters of the City and Borough shall be effective 30 days after adoption of this ordinance.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Kendell D. Koelsch, Mayor

Attest:

\_\_\_\_\_  
Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager  
Introduced: 07/23/2018  
Drafted by: Bond Counsel

## ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2018-40

### **An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed \$12,000,000 to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition to the Voters at the Election to Be Held Therein on October 2, 2018.**

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

WHEREAS, in order to provide funds for paying part of the cost of acquiring, constructing 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 \$12,000,000 (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 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:

- A. Renovations to Centennial Hall, including upgrading the HVAC system and expanding the lobby area (the “Centennial Hall Project”), of which \$4,500,000 will be paid from the Bonds described in Section 3;



- B. Construction and equipping of a portion of a new arts and culture center; and

Construction of an enclosed and heated corridor between Centennial Hall and the new arts and culture center (the “Arts and Culture Center and Corridor Project”), of which \$7,500,000 will be paid from the proposed Bonds described in Section 3.

The Centennial Hall Project and the Arts and Culture Center and Corridor Project are herein referred to collectively 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.

The new arts and culture center will be owned by the City and Borough of Juneau and is intended to be managed by the Juneau Arts and Humanities Council (JAHC). Currently, the estimated cost to design and construct the Arts and Culture Center and Corridor Project is estimated to be \$32,000,000, \$7,500,000 of which will come from the general obligation bonds authorized herein, with the remaining \$24,500,000 to be raised from other sources. The issuance and contribution of the \$7,500,000 from the Bonds for the Arts and Culture Center and Corridor Project is conditioned on the receipt of the \$24,500,000 (or the funds in excess of \$7,500,000 that are required to complete the Arts and Culture Center and Corridor Project, whether greater or less than \$24,500,000) from the other sources. If such funds are not collected by JAHC by December 31, 2021, the \$7,500,000 portion of the Bonds authorized herein will not be issued or contributed by the City and Borough to undertake the Arts and Culture Center and Corridor Project.

In addition to the foregoing conditions, 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 their completion duly provided for, or their 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 as provided in

this ordinance, 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 portion of 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 not to exceed 20 years of date of issue. The Bonds shall be issued in an aggregate principal amount of not to exceed \$12,000,000. 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, including sales tax levies, 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 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 2, 2018.

The City and Borough clerk shall prepare the ballot proposition 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 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 \$12,000,000 in general obligation bond debt for paying the cost of renovations, construction, upgrades and capital improvements to the facilities of the City and Borough, including renovations to Centennial Hall, including the HVAC system and expansion of the lobby, construction of a portion of a new arts and culture center, and construction of an enclosed corridor between Centennial Hall and the new arts and culture center. Approximately \$4,500,000 of the general obligation bond debt will be for renovations to Centennial Hall, with the remaining \$7,500,000 of general obligation bond debt for the new arts and culture center and construction of the corridor between the new center and Centennial Hall. Currently, the estimated cost to design and construct the new arts and culture center and the

construction of the enclosed corridor between the new center and Centennial Hall will be \$32,000,000, \$7,500,000 of which will come from the general obligation bonds authorized herein, with the remaining \$24,500,000, or as much as is needed to complete that project, raised from other sources. The issuance and contribution of the \$7,500,000 to the arts and culture center and corridor from the City and Borough's general obligation bonds will be conditioned on the receipt of the \$24,500,000 (or the remaining costs of that project, whether greater or less than \$24,500,000) from the other sources. If such funds are not collected, the \$7,500,000 portion of City and Borough general obligation bonds will not be issued or contributed. The new arts and culture center will be owned by the City and Borough of Juneau and is intended to be managed by the Juneau Arts and Humanities Council (JAHC). The total annual debt service costs, assuming an interest rate of 4.0%, will be \$1,415,000 for years 1-7 and \$678,000 thereafter, with approximately \$643,000 in years 1-7 expected to be paid from the one percent temporary sales tax approved by voters in 2017, and the remaining balance to be paid from a property tax of approximately \$15 per \$100,000 of assessed value. This example of a property tax levy is provided for illustrative purposes only.

PROPOSITION NO. \_\_\_\_

GENERAL OBLIGATION BONDS

\$12,000,000

For the purpose of renovating Centennial Hall, including upgrading the HVAC system and expanding the lobby, constructing a portion of a new arts and culture center, and constructing an enclosed, heated corridor between Centennial Hall and the new arts and culture center within the City and Borough, shall the City and Borough of Juneau, Alaska, issue and sell its general obligation bonds, maturing within 20 years of their date of issue, in the aggregate principal amount of not to exceed \$12,000,000?

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 12, 2018, 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 2, 2018, 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 13th day of August, 2018.

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Kendell D. Koelsch, Mayor

ATTEST:

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Elizabeth J. McEwen, City Clerk