Presented by: The Manager
Introduced: 07/11/2022
Drafted by: Bond Counsel

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2022-37

An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed $35,000,000 to Finance Construction and Equipping of a New City Hall for the City and Borough, and Submitting a Proposition to the Voters at the Election to Be Held Therein on October 4, 2022.

WHEREAS, a new City Hall for the City and Borough of Juneau, Alaska (the "City and Borough") is needed in order to meet the current and future needs of the City and Borough; and

WHEREAS, the new City Hall project described in Section 3 below (the "Project") has 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 constructing and equipping the Project, 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 $35,000,000 (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 construction and equipping of the Project identified in Section 3 hereof is necessary and is 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 construction and equipping of a new City Hall in order to consolidate staff into a single facility. The Project will be energy efficient and include below ground parking for City and Borough resident use.

The foregoing are herein referred to as the "Project." 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 Project that is approved by the electors shall be deemed capital improvement costs of the approved

Project. The approved Project 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 Project 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 Project 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 Project has 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 Project, the City and Borough shall use the available funds for paying the cost of those portions of the approved Project 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 Project 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 $35,000,000. 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 of whether or not the City and Borough should issue the Bonds for the purpose of financing the costs of the approved Project at the regular municipal election to be held on October 4, 2022.

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 the proposition 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 $35,000,000 in general obligation bond debt for paying the cost of construction and equipping of a new City Hall, including below ground parking. The total annual debt service costs, assuming an interest rate of 4.88%, will be approximately $2,454,000 . This amount of debt service would require an annual property tax levy of approximately $29.60 per $100,000 of assessed value (assuming that the overall estimated bond tax levy of $42.62 per $100,000 will be reduced due to operational savings by the City and Borough). This example of a property tax levy is provided for illustrative purposes only.

PROPOSITION NO. 1

GENERAL OBLIGATION BONDS

$35,000,000

For the purpose of constructing and equipping a new City Hall, including below ground parking within the City and Borough, 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 $35,000,000?

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 14, 2022, 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 4, 2022, 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 1st day of August, 2022.

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Beth Weldon, Mayor

Attest:

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Elizabeth J. McEwen, Municipal Clerk