

**CITY OF CORDOVA, ALASKA
RESOLUTION 12-18-30**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA, AUTHORIZING THE CITY TO ISSUE HARBOR REVENUE BONDS IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$5,000,000 TO FINANCE THE PLANNING, DESIGN, CONSTRUCTION AND ACQUISITION OF HARBOR AND RELATED CAPITAL IMPROVEMENTS IN THE CITY, INCLUDING WITHOUT LIMITATION REPAIR AND REPLACEMENT OF FACILITIES AT THE CORDOVA SOUTH HARBOR, AND TO SUBMIT THE QUESTION OF THE ISSUANCE OF SUCH BONDS TO THE QUALIFIED VOTERS OF THE CITY AT THE MARCH 5, 2019 REGULAR CITY ELECTION; AND DECLARING THE INTENT OF THE CITY OF CORDOVA TO REIMBURSE ORIGINAL EXPENDITURES FOR COSTS OF THE PLANNING, DESIGN, CONSTRUCTION AND ACQUISITION OF SUCH HARBOR AND RELATED CAPITAL IMPROVEMENTS.

WHEREAS, the City of Cordova, Alaska (the "City") is a home rule city and under Section 11 of Article X of the Alaska Constitution may exercise all legislative power not prohibited by law or the charter of the City, and the Council finds that the matters authorized by this resolution are not prohibited by law or the charter of the City; and

WHEREAS, Section 6-3 of the Cordova City Charter authorizes the City to issue revenue bonds the principal and interest of which are payable solely out of, and the only security of which is, the revenues of a revenue-producing utility or enterprise, but only when authorized by the council for the acquisition, construction, reconstruction, repair, improvement, extension, enlargement or equipment of the said utility or enterprise and ratified at an election by a majority of voters; and

WHEREAS, Section 6-1 of the Cordova City Charter authorizes the City to borrow money and to issue bonds payable out of City tax revenues, but only when authorized by the council for capital improvements and ratified at an election by a majority of voters; and

WHEREAS, Section 6-1 of the Cordova City Charter provides that bonds which are payable out of City tax revenues also may be secured by revenues from a revenue-producing utility or enterprise when they are issued for the acquisition, construction, reconstruction, repair, improvement, extension, enlargement or equipment of said utility or enterprise; and

WHEREAS, the Port of Cordova is a revenue-producing enterprise of the City, and the Council views the planning, design, acquisition, construction, reconstruction, repair, improvement, extension, enlargement or equipment of the harbor and related improvements authorized herein as necessary and beneficial to the community; and

WHEREAS, Resolution 12-18-31 also submits to the qualified voters of the City at the March 5, 2019 Regular City Election a proposition for the City to levy a tax of **0.5%** on the value of raw fish landed in the City, and the Council intends that if the qualified voters approve that proposition in addition to this proposition, the proceeds of the tax will be pledged in addition to revenues of the Port of Cordova to the payment of the bonds that are authorized by this resolution; and

WHEREAS, §1.150-2 of the Income Tax Regulations requires that the City timely declare its intent to reimburse original expenditures for costs of capital improvements with proceeds of tax exempt bonds, so that the reimbursement will qualify as an expenditure of proceeds of the bonds.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA, HEREBY RESOLVES that:

Section 1. It is hereby determined to be for a public purpose and in the public interest of the City to incur bonded indebtedness in an amount not to exceed Five Million Dollars (\$5,000,000) the principal and interest of which are payable out of, and the security for which are: (i) the revenues of the Port of Cordova, and (ii) the proceeds of a tax of **0.5%** on the value of raw fish landed in the City if the qualified voters of the City approve a proposition for the levy of the tax at the March 5, 2019 Regular City Election, for the purpose of paying the cost of planning, design, acquisition, construction, reconstruction, repair, improvement, extension, enlargement or equipment of harbor and related improvements in the City, including without limitation repair and replacement of facilities at the Cordova South Harbor.

Section 2. The City is authorized to borrow the sum of Five Million Dollars (\$5,000,000) to finance the capital improvements described in Section 1, and the borrowing shall be evidenced by the issuance of revenue bonds of the City, which in addition shall be payable out of the proceeds of a tax of **0.5%** on the value of raw fish landed in the City if the qualified voters of the City approve a proposition for the levy of the tax at the March 5, 2019 Regular City Election. Except for the aforementioned tax on the value of raw fish landed in the City, neither the faith and credit nor the taxing power of the City may be pledged for payment of the principal of and interest on the bonds.

Section 3. The City shall submit the following proposition to the qualified voters of the City at the March 5, 2019 Regular City election. The proposition must receive an affirmative vote from a majority of the qualified voters voting on the question to be approved.

**Proposition No. 1
Bonds for Harbor and Related Capital Improvements**

Shall the City of Cordova incur debt and issue harbor revenue bonds in the principal amount of not to exceed Five Million Dollars (\$5,000,000) the principal and interest of which are payable out of, and the security for which are: (i) the revenues of the Port of Cordova, and (ii) the proceeds of a tax of **0.5%** on the value of raw fish landed in the City if the qualified voters of the City approve a proposition for the levy of the tax at the March 5, 2019 Regular City Election, for the purpose of paying the cost of planning, design, acquisition, construction, reconstruction, repair, improvement, extension, enlargement or equipment of harbor and related improvements in the City, including without limitation repair and replacement of facilities at the Cordova South Harbor?

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Section 4. The proposition, both for paper ballots and machine ballots, shall be printed on a ballot which may set forth other bond propositions, and the following words shall be added as appropriate next to a rectangle provided for marking the ballot for voting by hand or machine:

PROPOSITION NO. 1: Yes
 No

Section 5. The City of Cordova hereby declares its intent to reimburse original expenditures for costs of the capital improvements described in Section 1 from proceeds of tax exempt bonds in the maximum aggregate principal amount of \$5,000,000.

Section 6. Sections 1 and 2 of this resolution shall become effective only if the proposition described in Section 3 is approved by a majority of the qualified voters voting on the proposition at the March 5, 2019 Regular City Election. The remaining sections of this resolution shall become effective upon passage and approval.


PASSED AND APPROVED THIS 5th DAY OF DECEMBER 2018.





Clay R. Koplín, Mayor

ATTEST:



Susan Bourgeois, CMC, City Clerk