

Presented by: The Manager
Introduced:
Drafted by: J.W. Hartle

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2008-35

An Ordinance Authorizing a Loan in an Amount Not to Exceed \$8,183,000.00 from the Central Treasury to the Airport Fund for the Purpose of Providing Interim Financing for the Airport Terminal Expansion and Renovation Project.

WHEREAS, the City and Borough of Juneau has undertaken a project to expand and renovate the Juneau International Airport terminal ("Airport Terminal Project"); and

WHEREAS, funding for the Airport Terminal Project is from two primary sources: the voter approved 1% temporary sales tax and the Passenger Facility Charges imposed by the airport; and

WHEREAS, the City and Borough has levied a 1% temporary sales tax made effective on October 1, 2008, and for the following five years, for certain capital improvement projects, including the Airport Terminal Project; and

WHEREAS, the Federal Aviation Administration has approved the use of \$8,815,790.00 in Passenger Facility Charges for the Airport Terminal Project, which funds, like the sales tax, are collected over several years; and

WHEREAS, the cash flow from the 1% temporary sales tax and Passenger Facility Charges are insufficient in the first few years to fund the project; and

1 WHEREAS, under the CBJ Public Finance Code, the finance director may invest
2 temporarily idle money in the central treasury in short term loans to specified funds of
3 the City and Borough for the purpose of capital acquisitions upon approval of the
4 Assembly by ordinance; and

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6 WHEREAS, the Juneau International Airport has requested the Assembly to
7 authorize such a loan to the Airport Fund in an amount not to exceed \$8,183,000.00 for
8 the purpose of providing interim financing for the Airport Terminal Project; and

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10 WHEREAS, central treasury has available temporarily idle money that may be
11 loaned to the Airport Fund for the Airport Terminal Project, pending sufficient cash
12 flow and receipt of funds from the 1% temporary sales tax and the Passenger Facility
13 Charges allocated to the Project.

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

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

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20 **Section 2. Establishment of Central Treasury Loan.**

21 (a) Pursuant to CBJ 57.05.045 and CBJ 57.25.020, an amount not to exceed
22 \$8,183,000.00 is authorized to be loaned from the central treasury to the Airport Fund
23 for the purpose of providing interim financing for the Airport Terminal Project.

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1 (b) The loan authorized herein is for a term not to exceed five years, provided the
2 loan may be repaid in full in less than five years without penalty. Principal and
3 interest payments to the central treasury shall be made annually by the Juneau
4 International Airport on the first day of each fiscal year:

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6 (c) The balance of the loan shall bear interest at the rate estimated by the finance
7 director to be the average rate the City and Borough earned or will earn on its central
8 treasury investments over the applicable period with interest computed on an annual
9 basis; principal and interest on the balance shall be repaid to the central treasury from
10 future 1% temporary sales taxes and Passenger Facility Charges allocated to the
11 Airport Terminal Project.

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13 **Section 3. Effective Date.** This ordinance shall be effective 30 days after its
14 adoption.

15 Adopted this day of 2008.

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Bruce Botelho, Mayor

19 Attest:

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Laurie J. Sica, Clerk

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