

1 **CITY OF HOMER**  
2 **HOMER, ALASKA**

3 Mayor/Council

4 **ORDINANCE 16-30**

5  
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,  
7 AUTHORIZING THE CITY TO ISSUE GENERAL OBLIGATION BONDS  
8 IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$12,000,000 TO  
9 FINANCE THE ACQUISITION AND CONSTRUCTION OF A POLICE  
10 STATION AND IMPROVEMENTS TO THE FIRE HALL; AMENDING  
11 HCC 9.16.010 TO PROVIDE FOR AN INCREASE IN THE RATE OF  
12 THE CITY SALES TAX FROM 4.5% TO 5.5% FROM APRIL 1  
13 THROUGH SEPTEMBER 30, WITH THE INCREASE DEDICATED TO  
14 FUND PUBLIC SAFETY OPERATIONS AND INFRASTRUCTURE,  
15 INCLUDING CONSTRUCTION OF A POLICE STATION AND  
16 RENOVATION OF A FIRE HALL AND SUBMITTING THE QUESTION  
17 OF THE ISSUANCE OF SUCH BONDS AND SUCH SALES TAX RATE  
18 INCREASE TO THE QUALIFIED VOTERS OF THE CITY AT THE  
19 OCTOBER 4, 2016 REGULAR CITY ELECTION.

20  
21 WHEREAS, The City of Homer (the "City") is in need of a new police station and  
22 renovations to the existing fire hall; and

23  
24 WHEREAS, The City Council views the acquisition and construction of a new police  
25 station and related capital improvements and renovations to the fire hall and related capital  
26 improvements authorized herein as necessary and beneficial to the community, and  
27 determines that to fund such improvements general obligation bonds of the City should be  
28 authorized, issued and sold; and

29  
30 WHEREAS, The City Council also deems it necessary to increase the rate of the City  
31 sales tax to provide funds to pay costs of public safety operations and capital improvements,  
32 including without limitation part of the debt service on such general obligation bonds; and

33  
34 WHEREAS, Under the provisions of AS 29.47.190 the City may incur general obligation  
35 debt only after a bond authorization ordinance is approved by a majority of those voting on  
36 the question at a regular or special election; and

37  
38 WHEREAS, Under the provisions of AS 29.45.700(b) and AS 29.45.670, the City may  
39 increase the rate of its sales tax only after an ordinance authorizing the increase is approved  
40 by a majority of those voting on the question at a regular or special election.

41  
**[Added language bold and underlined. Deleted language stricken through.]**

42 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:  
43

44 Section 1. It is hereby determined to be for a public purpose and in the public interest  
45 of the City to incur general obligation bonded indebtedness in an amount not to exceed  
46 Twelve Million Dollars (\$12,000,000) for the purpose of paying the cost of planning, designing,  
47 and constructing a new police station and related capital improvements and renovating the  
48 fire hall and related capital improvements.  
49

50 Section 2. The City is authorized to borrow the sum of Twelve Million Dollars  
51 (\$12,000,000) to finance the capital improvements described in Section 1, and the borrowing  
52 shall be evidenced by the issuance of general obligation bonds of the City. The full faith and  
53 credit of the City are pledged for payment of the principal of and interest on the bonds, and  
54 ad valorem taxes upon all taxable property in the City shall be levied without limitation as to  
55 rate or amount to pay the principal of and interest on the bonds when due.  
56

57 Section 3. Homer City Code 9.16.010 is amended to read as follows:  
58

59 9.16.010 Levied.

60 a. A consumer's sales tax in the amount of three and three-quarters percent is levied  
61 by the City on all sales, rents and services within the City except as the same may be  
62 otherwise exempted by law.

63 b. An additional consumer's sales tax in the amount of three-quarters percent is  
64 hereby levied by the City of Homer on all sales, rents and services within the City except as  
65 the same may be otherwise exempted by law, for the purpose of funding debt retirement of  
66 the sewer treatment plant improvements, and to the extent revenues from such tax exceed  
67 such debt retirement obligations, for the purpose of funding water and sewer systems.

68 **c. An additional consumer's sales tax in the amount of one percent is hereby**  
69 **levied by the City of Homer on all sales, rents and services within the City from April 1**  
70 **through September 30, except as the same may be otherwise exempted by law, for the**  
71 **purpose of funding public safety operations and infrastructure within the City, including**  
72 **construction of a police station, renovation of the fire hall and, without limitation, debt**  
73 **retirement of capital improvements related to the police station and fire hall.**  
74

75 Section 4. The City shall submit the following proposition to the qualified voters of the  
76 City at the October 4, 2016 regular City election. The proposition must receive an affirmative  
77 vote from a majority of the qualified voters voting on the question to be approved.  
78

79 PROPOSITION NO. \_\_\_  
80 GENERAL OBLIGATION BONDS FOR  
81 A NEW POLICE STATION AND FIRE HALL RENOVATION AND RELATED CAPITAL  
82 IMPROVEMENTS;  
83 1.0% SALES TAX RATE INCREASE TO 5.5%

**[Added language bold and underlined. Deleted language stricken through.]**

84 Shall the City of Homer incur debt and issue general obligation bonds in an  
85 amount not to exceed Twelve Million Dollars (\$12,000,000) to finance the  
86 planning, design and construction of a police station and related capital  
87 improvements and renovation of the fire hall and related capital  
88 improvements; and shall the rate of City sales tax be increased by one percent  
89 (1.0%) to five and one-half percent (5.5%) from April 1 through September 30,  
90 for the purpose of funding public safety operations and infrastructure within  
91 the City, including construction of a police station, renovation of the fire hall  
92 and, without limitation, debt retirement of capital improvements related to a  
93 police station and the fire hall?

94  
95 The bonds shall be secured by a pledge of the full faith and credit of the City.  
96 (Ordinance 2016-\_\_)

97  
98 Section 5. The proposition, both for paper ballots and machine ballots, shall be  
99 printed on a ballot which may set forth other general obligation bond propositions, and the  
100 following words shall be added as appropriate next to a space provided for marking the ballot  
101 for voting by hand or machine:

102  
103 PROPOSITION NO. \_\_\_\_  
104 OYes  
105 ONo

106  
107 Section 6. Section 2 of this ordinance shall become effective only if the proposition  
108 described in Section 4 is approved by a majority of the qualified voters voting on the  
109 proposition at the October 4, 2016 regular City election. Section 3 of this ordinance shall  
110 become effective January 1, 2017, but only if the proposition described in Section 4 is  
111 approved by a majority of the qualified voters voting on the proposition at the October 4,  
112 2016 regular City election. The remaining sections of this ordinance shall become effective  
113 upon passage.

114  
115 Section 7. Section 3 of this Ordinance is of a permanent and general character and  
116 shall be included in the City Code. The remainder of this ordinance is not of a permanent  
117 nature and as such, shall not be codified.

118  
119 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this \_\_\_\_ day of  
120 \_\_\_\_\_, 2016.

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122  
123  
124  
125

**[Added language bold and underlined. Deleted language stricken through.]**

CITY OF HOMER

\_\_\_\_\_  
MARY E. WYTHE, MAYOR

126  
127  
128  
129  
130  
131  
132 ATTEST:

133  
134  
135 \_\_\_\_\_  
136 JO JOHNSON, MMC, CITY CLERK

137  
138  
139 AYES:

140 NOES:

141 ABSTAIN:

142 ABSENT:

143  
144  
145 First Reading:

146 Public Reading:

147 Second Reading:

148 Effective Date:

149  
150  
151 Reviewed and approved as to form:

152  
153  
154 \_\_\_\_\_  
155 Mary K. Koester, City Manager

\_\_\_\_\_  
Holly C. Wells, City Attorney

156  
157 Date: \_\_\_\_\_

Date: \_\_\_\_\_

**[Added language bold and underlined. Deleted language stricken through.]**