

**CITY OF HOMER
HOMER, ALASKA**

Smith

ORDINANCE 16-30(S-2)(A)

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AUTHORIZING THE CITY TO ISSUE GENERAL OBLIGATION BONDS IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$12,000,000 TO FINANCE THE ACQUISITION AND CONSTRUCTION OF A POLICE STATION; AMENDING HCC 9.16.010 TO PROVIDE FOR AN INCREASE IN THE RATE OF THE CITY SALES TAX FROM 4.5% TO 5.5% FROM APRIL 1 THROUGH SEPTEMBER 30, WITH THE INCREASE PROVIDING FUNDS TO PAY DEBT SERVICE ON THE GENERAL OBLIGATION BONDS AND EXPIRING ON SEPTEMBER 30 OF THE YEAR WHEN THE CITY HAS RECEIVED SUFFICIENT FUNDS FROM THE INCREASE TO PAY ALL OF THAT DEBT SERVICE; AND SUBMITTING THE QUESTION OF THE ISSUANCE OF THE BONDS AND THE SALES TAX RATE INCREASE TO THE QUALIFIED VOTERS OF THE CITY AT THE OCTOBER 4, 2016 REGULAR CITY ELECTION.

WHEREAS, The City of Homer (the "City") is in need of a new police station; and

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

WHEREAS, The City Council also deems it necessary to increase the rate of the City sales tax to provide funds to pay debt service on such general obligation bonds, with the increase expiring when the City has received funds from the increase that are sufficient to pay all debt service on the general obligation bonds; and

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

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

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

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

48 Section 2. The City is authorized to borrow the sum of Twelve Million Dollars
49 (\$12,000,000) to finance the capital improvements described in Section 1, and the borrowing
50 shall be evidenced by the issuance of general obligation bonds of the City. The full faith and
51 credit of the City are pledged for payment of the principal of and interest on the bonds, and
52 ad valorem taxes upon all taxable property in the City shall be levied without limitation as to
53 rate or amount to pay the principal of and interest on the bonds when due.
54

55 Section 3. Homer City Code 9.16.010 is amended to read as follows:
56

57 9.16.010 Levied.

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

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

66 c. An additional consumer's sales tax in the amount of one percent is hereby levied by
67 the City of Homer on all sales, rents and services within the City from April 1 through
68 September 30, except as the same may be otherwise exempted by law, for the purpose of
69 paying debt service on the bonds authorized by Ordinance 16-30(S-2)(A). The additional
70 consumer's sales tax shall be levied only on sales, rents and services made on or before
71 September 30 in the year when the City has received funds from the tax that are sufficient to
72 pay all debt service on the bonds.
73

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

78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116

PROPOSITION NO. ____
GENERAL OBLIGATION BONDS FOR A NEW POLICE STATION
AND RELATED CAPITAL IMPROVEMENTS;
1.0% SALES TAX RATE INCREASE TO 5.5%

Shall the City of Homer incur debt and issue general obligation bonds in an amount not to exceed Twelve Million Dollars (\$12,000,000) to finance the planning, design and construction of a police station and related capital improvements; and shall the rate of City sales tax be increased by one percent (1.0%) to five and one-half percent (5.5%) from April 1 through September 30, for the purpose of paying debt service on the general obligation bonds, until September 30 in the year when the City has received funds from the tax that are sufficient to pay all debt service on the bonds?

The bonds shall be secured by a pledge of the full faith and credit of the City.
(Ordinance 2016-30(S-2)(A))

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

PROPOSITION NO. ____

OYes
ONo

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

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

117 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this _____ day of
118 _____, 2016.

119
120 CITY OF HOMER

121
122
123 _____
124 MARY E. WYTHE, MAYOR

125
126 ATTEST:
127
128
129 _____
130 JO JOHNSON, MMC, CITY CLERK

131
132
133 AYES:
134 NOES:
135 ABSTAIN:
136 ABSENT:

137
138
139 First Reading:
140 Public Reading:
141 Second Reading:
142 Effective Date:

143
144
145 Reviewed and approved as to form:

146
147
148 _____
149 Mary K. Koester, City Manager

150
151 Date: _____

Holly C. Wells, City Attorney

Date: _____