

CODE ORDINANCE

Requested by: Council Member Menard

Introduced: May 12, 2008

Public Hearing: June 9, 2008

Postponed Indefinitely: June 9, 2008

Vote: Holler, Larson, Massie, Menard, Metiva and Woodruff in favor

**CITY OF WASILLA
ORDINANCE SERIAL NO. 08-26**

AN ORDINANCE OF THE WASILLA CITY COUNCIL AUTHORIZING THE CITY TO ISSUE GENERAL OBLIGATION BONDS IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$20,000,000 TO FINANCE THE ACQUISITION AND CONSTRUCTION OF PUBLIC LIBRARY AND RELATED CAPITAL IMPROVEMENTS IN THE CITY; AMENDING WASILLA MUNICIPAL CODE 5.16.030 TO CONTINUE THE RATE OF THE CITY SALES TAX AT TWO AND ONE-HALF PERCENT (2.5%) UNTIL THE EARLIER OF JUNE 30, 2030 AND THE DATE ON WHICH ALL BONDS AUTHORIZED UNDER THIS ORDINANCE HAVE BEEN RETIRED; AND AUTHORIZING THE CITY TO SUBMIT THE QUESTION OF THE ISSUANCE OF SUCH BONDS AND SUCH SALES TAX RATE TO THE QUALIFIED VOTERS OF THE CITY AT THE OCTOBER 7, 2008 REGULAR CITY ELECTION.

WHEREAS, the City Council of the City of Wasilla (the "City") deems it necessary to make certain public library and related capital improvements in the City, 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 continue the rate of the City sales tax at two and one-half percent (2.5%) to provide funds to pay part of the debt service on such general obligation bonds, with the rate of the City sales tax decreasing to two percent (2.0%) not later than the date when all of the bonds have been retired; and

WHEREAS, under the provisions of AS 29.47.190 a municipality 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 rate increase is approved by a majority of those voting on the question at a regular or special election; and

WHEREAS, the City views the public library and related capital improvements authorized herein as necessary and beneficial to the community.

NOW THEREFORE, BE IT ORDAINED AND ENACTED by the City of Wasilla:

* **Section 1. Classification.** Section 4 of this ordinance is of a general and permanent nature and shall become a part of the Wasilla Municipal Code. The remainder of this ordinance is a non-code ordinance.

* **Section 2. Capital improvements.** It is hereby determined to be for a public purpose and in the public interest of the City of Wasilla (the "City") to incur general obligation bonded indebtedness in an amount not to exceed Twenty Million Dollars (\$20,000,000), for the purpose of paying the cost of planning, designing, acquiring property for, equipping and constructing public library and related capital improvements in the City.

* **Section 3. Authorization of bonds.** The City is authorized to borrow the sum of not to exceed Twenty Million Dollars (\$20,000,000) to finance the capital improvements described in Section 2, and the borrowing shall be evidenced by the issuance of general obligation bonds of the City. The full faith and credit of the City are pledged for payment of the principal of and interest on the bonds, and ad valorem taxes upon all taxable property in the City shall be levied without limitation as to rate or amount to pay the principal of and interest on the bonds when due.

* **Section 4. Amendment of section.** WMC 5.16.030, Levy of tax, is hereby amended to read as follows:

5.16.030 Levy of tax.

A. Subject to the remainder of this chapter, a tax of two and one-half percent of the price is levied on all sales, rentals and services made in the city through the earlier of:

1. June 30, 2030[12]; and
2. The date when all bonds issued under Ordinance Serial No. 08-26 [01-55(AM)] have been retired; and
3. A tax of two percent of the price is levied on all sales, rentals and services made in the city thereafter.

* **Section 5. Ballot proposition.** The City shall submit the following proposition to the qualified voters of the City at the regular election to be held on October 7, 2008. The proposition must receive an affirmative vote from a majority of the qualified voters voting on the question to be approved.

PROPOSITION NO. ____
PUBLIC LIBRARY AND RELATED
CAPITAL IMPROVEMENT BONDS;
CONTINUATION OF 2.5% SALES TAX RATE

Shall the City of Wasilla incur debt and issue general obligation bonds in the principal amount of not to exceed Twenty Million Dollars (\$20,000,000) to pay the cost of planning, designing, acquiring property for, equipping and constructing public library and related capital improvements in the City, and shall the rate of the City sales tax continue at two and one-half percent (2.5%) until the earlier of (i) June 30, 2030 and (ii) the date when all bonds authorized under this proposition have been retired, with the rate decreasing to two percent (2.0%) thereafter?

The bonds shall be secured by a pledge of the full faith and credit of the City. (Ordinance Serial No. 08-26).

* **Section 6. Form of ballot.** 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 an oval provided for marking the ballot for voting by hand or machine:

PROPOSITION NO. __

- Yes
- No

* **Section 7. Effective dates.** Sections 2 through 4 of this ordinance shall become effective only if the proposition described in Section 5 is approved by a majority of the qualified voters voting on the proposition at the regular City election on October 7, 2008. The remaining sections of this ordinance shall become effective upon adoption by the Wasilla City Council.

POSTPONED INDEFINITELY by the Wasilla City Council on June 9, 2008.