

By: Bond Counsel  
Postponed to February 27, 2017: February 13, 2017  
Amended: February 27, 2017  
Adopted: February 27, 2017  
Vote: Burney, Dryden, Graham, Harvey, Ledford, O'Barr in favor

**City of Wasilla  
Resolution Serial No. 17-08**

**A Resolution Of The Wasilla City Council Amending The Terms Of The \$9,800,000 City Of Wasilla Revenue Bond, 2000 (Southcentral Foundation Project); And Providing For Related Matters.**

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WHEREAS, the City of Wasilla (the "City") issued its \$9,800,000 Revenue Bond, 2000 (Southcentral Foundation Project) (the "Bond") on December 8, 2000, pursuant to Resolution Serial No. 00-050, adopted on November 27, 2000; and

WHEREAS, the City sold the Bond to National Bank of Alaska (now Wells Fargo Bank, National Association, the "Purchaser") and used the proceeds of the sale of the Bond to make a loan (the "Loan") to Southcentral Foundation, an Alaska nonprofit corporation (the "Borrower"); and

WHEREAS, the Bond and the Loan were amended (the "Amended Bond" and the "Amended Loan," respectively) pursuant to Resolution Serial No. 07-29, adopted August 27, 2007; and

WHEREAS, the Amended Loan is evidenced by a Loan Agreement dated December 8, 2000, by and between the City and the Borrower, as amended by a Universal Amendment dated October 29, 2007; and

WHEREAS, the Purchaser and the Borrower have requested that the City agree to make certain changes in the terms of the Amended Loan and the Amended Bond, and the Borrower has agreed to pay the Issuer a fee of \$5,000 for its participation in the amendments that are authorized herein.

NOW, THEREFORE, BE IT RESOLVED BY THE WASILLA CITY COUNCIL, that:

**Section 1.** The terms of the Amended Bond and the Amended Loan shall be amended in accordance with the Explanation of Changes attached to this Resolution as Exhibit A.

**Section 2.** Each of the Mayor and the Deputy Mayor acting alone is hereby authorized to execute such documents as such officer considers necessary or appropriate to effect the changes to the Amended Loan and the Amended Bond authorized in Section 1, including without limitation documents amending the Loan Agreement and the Amended Bond, and to take all other actions as such officer may determine to be necessary or appropriate to carry out the purposes of this Resolution.

**Section 3.** This resolution shall take effect upon adoption by the Wasilla City Council.

ADOPTED by the Wasilla City Council on February 27, 2017.

  
BERT L. COTTLE, Mayor

ATTEST:

  
JAMIE NEWMAN, MMC, City Clerk

[SEAL]

**EXHIBIT A**  
**(Resolution Serial No. 17-08)**

**EXPLANATION OF CHANGES**

1. The interest rate on the Amended Bond shall be reduced by changing the applicable spread applicable in the determination of the interest rate, from a variable rate equal to 66.9% of 1-month LIBOR, as in effect from time to time as determined by the Purchaser, plus 1.315%, to a variable rate equal to 67.0% of 1-month LIBOR, as in effect from time to time as determined by the Purchaser, plus 1.105%.

2. Add provisions with respect to conversion of the applicable interest rate on the bonds to a Direct Purchase Period, minimum authorized denominations, and other transfer restrictions.




3. The changes set forth in Paragraphs 1 and 2 above shall be effective on such date as agreed upon between the Purchaser and the Borrower, but in no event later than September 1, 2017.

**REPORT****Resolution Serial No. 17-08: Amending the Terms of the \$9,800,000 City of Wasilla Revenue Bond, 2000 (Southcentral Foundation Project); and Providing for Related Matters.**

Originator: T. Tankersley for Bond Counsel

Date: 2/2/2017

Agenda of: 2/13/2017

Route to:	Department Head	Signature	Date
X	Finance Director		2/2/17
X	Deputy Administrator		2/2/17
X	City Clerk		2/2/17

Reviewed by Mayor Bert L. Cottle:

 2/2/2017
Fiscal Impact:  yes or  noFunds Available:  yes or  no

Attachments: Resolution Serial No. 17-08 (2 pages)

**Summary Statement:** In 2000, the City issued its \$9,800,000 Revenue Bond, 2000 (Southcentral Foundation Project) (the “Bond”) pursuant to Resolution Serial No. 00-050, adopted on November 27, 2000. The City sold the Bond to National Bank of Alaska (now Wells Fargo Bank, National Association “Wells Fargo”) and used the proceeds of the sale of the Bond to make a loan (the “Loan”) to Southcentral Foundation, an Alaska nonprofit corporation (“Southcentral”).

The City is obligated to repay the Bond only from Loan payments from Southcentral. Southcentral makes Loan payments directly to Wells Fargo, and deals directly with Wells Fargo on matters of Loan administration and compliance with Southcentral's covenants in the Loan documents. Under this financing structure, Wells Fargo has no recourse against the City, but must look only to Southcentral for the payment of the Bonds and the Loan. If Southcentral defaults on its Loan obligations, the City will have no liability and there will be no adverse effect on the City's credit.

The Bond and the Loan previously were amended by agreement between Southcentral and Wells Fargo, and the City approved the amendments pursuant to Resolution Serial No. 07-29, adopted August 27, 2007. Southcentral and Wells Fargo again have agreed to amend the terms of the Bond and Loan to, among other things, reduce the rate of interest that is payable on the Bond and the Loan. These amendments are subject to approval by the City as issuer of the Bond. As was the case with the original issuance and subsequent amendment of the Bond, approval of the present amendments does not subject the City to any obligation or liability on the Bond or the Loan, which remain solely the obligations of Southcentral.

**Recommended Action:** Adopt Resolution Serial No. 17-08