

Submitted by: Chair of the Assembly at the request of the
Mayor
Prepared by: Bond Counsel
For Reading: April 14, 1998

MUNICIPALITY OF ANCHORAGE, ALASKA

ORDINANCE NO. AO 98- 74

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING THE ISSUANCE OF VARIABLE RATE DEMAND NOTES (ALASKA SEAFOOD INTERNATIONAL PROJECT), OF THE MUNICIPALITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$48,000,000; AUTHORIZING THE EXECUTION AND DELIVERY OF THE PRINCIPAL FINANCING DOCUMENTS IN CONNECTION THEREWITH; AUTHORIZING THE PROPER OFFICIALS OF THE MUNICIPALITY TO DO ALL THINGS NECESSARY OR ADVISABLE TO CONSUMMATE THE ISSUANCE, SALE AND DELIVERY OF SUCH NOTES; DELEGATING THE CHIEF FISCAL OFFICER TO APPROVE THE FINAL OFFICIAL STATEMENT; PROVIDING THE MANNER OF SALE OF SAID NOTES; AND PROVIDING THAT THE NOTES BE SOLD TO PRUDENTIAL SECURITIES INCORPORATED.

WHEREAS, Alaska Seafood International LLC, an Alaska limited liability company ("Alaska Seafood International") plans to finance the acquisition, construction and equipping of a seafood processing, cold storage and distribution facility to property to be located at 6601 Interstate Street, within the Municipality of Anchorage, Alaska (the "Municipality"); and

WHEREAS, Alaska Seafood International has requested the Municipality to issue its Variable Rate Demand Notes, 1998 (Alaska Seafood International Project) in the aggregate dollar amount of \$48,000,000 (the "Notes") for the purpose of paying all of the costs of the Project and the issuance of the Notes; and

WHEREAS, the Notes will be sold to Prudential Securities Incorporated under the terms and conditions set forth in a purchase contract to be delivered and accepted by the Municipality; and

1 WHEREAS, there will be prepared and submitted to the Municipality and filed with the
2 Municipal Clerk draft forms of the following documents (the "Financing Documents") under
3 which the Municipality agrees to lend the proceeds of the Notes to Alaska Seafood International
4 to fund all or a portion of the Project:

5 (a) A Loan Agreement (the "Loan Agreement"), to be dated as of May 1, 1998
6 proposed to be made and entered into between the Municipality and the Alaska Seafood
7 International;

8 (b) An Indenture of Trust (the "Indenture") to be dated as of May 1, 1998,
9 proposed to be made and entered into between the Municipality and U.S. Bank Trust National
10 Association, Seattle, Washington, as trustee (the "Trustee"), authorizing the issuance of and
11 setting forth the terms and conditions of the said Notes, assigning the Municipality's interest in the
12 Loan Agreement, and setting forth the proposed recitals, covenants and agreements of the parties
13 with respect thereto;

14 (c) A Purchase Contract (the "Purchase Contract"), proposed to be made and
15 entered into between and among Prudential Securities Incorporated (the "Underwriter"), the
16 Alaska Seafood International and the Municipality;

17 (d) An Official Statement to be circulated by the Underwriter to prospective
18 purchasers of the Notes; and

19 WHEREAS, pursuant to the foregoing Financing Documents, the Municipality hereby
20 determines that the issuance of its Variable Rate Demand Notes, 1998 (Alaska Seafood
21 International Project) in the aggregate principal amount of \$48,000,000, (the "Notes"), is in the
22 public interest and consistent with its Municipal Charter; and

23 WHEREAS, the Municipality has been advised that the Notes will be secured by an
24 irrevocable Letter of Credit (the "Letter of Credit") to be issued by Canadian Imperial Bank of
25 Commerce, New York Agency (the "Bank");

1 **NOW THEREFORE, THE MUNICIPALITY OF ANCHORAGE ORDAINS:**

2 Section **Purpose.** The purpose of this ordinance is to authorize the issuance and
3 negotiated sale of Municipality of Anchorage, Alaska Variable Rate Demand Notes, 1998 (Alaska
4 Seafood International Project) in an aggregate principal amount not to exceed \$48,000,000, to
5 authorize the execution of the Financing Documents and to authorize the approval and form of an
6 official statement.

7 Section 2. **Authorization and Approval.** To provide interim financing of the costs of
8 the Project, pending its completion and take-out funding to be provided by the Alaska Industrial
9 Development and Export Authority and to pay all or a portion of the costs of issuance of the
10 Notes, the issuance of not to exceed \$48,000,000 in the aggregate principal amount of Variable
11 Rate Demand notes designated "Variable Rate Demand Notes, 1998 (Alaska Seafood
12 International Project)" of the Municipality is hereby authorized.

13 The Municipality is hereby authorized to lend the proceeds of the Notes to Alaska
14 Seafood International to finance the Project and to pledge and assign the loan repayments and
15 revenues therefrom and its interest in the Loan Agreement to the Trustee hereinafter appointed,
16 all as provided in the Loan Agreement and the Indenture. The forms of the Loan Agreement, the
17 Indenture, the Purchase Contract and the Notes are approved subject to such modifications as are
18 deemed appropriate and approved by the Chief Fiscal Officer and counsel for the Municipality,
19 which approval shall be conclusively evidenced by execution and delivery of the Loan Agreement,
20 the Indenture, the Purchase Contract and the Notes by the Chief Fiscal Officer of the Municipality
21 as therein required. The Loan Agreement is hereby directed to be executed in the name and on
22 behalf of the Municipality by the Mayor or Municipal Manager of the Municipality, but only to be
23 delivered upon execution thereof Alaska Seafood International. The Indenture is directed to be
24 executed in the name and on behalf of the Municipality by the Mayor or Municipal Manager of the
25 Municipality, and delivered to the Trustee.

26 Section 3 **Security for the Notes.** The Notes shall be secured by payments to be
27 made under the Letter of Credit or by Alaska Seafood International and other collateral to be

pledged under the Indenture and shall be payable solely from and secured by payments to be received under the Indenture and such collateral. The Notes do not and shall never constitute a debt or indebtedness or loan of the credit of the Municipality within the meaning of any provisions or limitations of the State constitution, the Municipal Charter, or any statute or ordinance and shall not constitute or give rise to a pecuniary liability of the Municipality or a charge against the general credit or taxing power of the Municipality, and the face of the Notes shall so state.

Section 4. Sale of the Notes. The Chief Fiscal Officer is hereby authorized to review and approve the proposal of the Underwriter to purchase the Notes pursuant to a Purchase Contract. The Purchase Contract shall be executed in the name and on behalf of the Municipality by the Chief Fiscal Officer, but shall be delivered only upon execution thereof by Alaska Seafood International and the Underwriter.

Section 5. Approval of Official Statement. The Chief Fiscal Officer is hereby authorized and directed to review and approve on behalf of the Municipality an official statement with respect to the Notes.

Section 6. Severability. If any section, paragraph, clause or provision of this ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any remaining provisions of this ordinance.

Section 7. Construction of Ordinance. This ordinance is necessary for the health, welfare and safety of the Municipality and its inhabitants; therefore, it shall be liberally construed to effect its purposes.

Section 8. Authorization and Execution. The Mayor, the Municipal Clerk and any other proper official of the Municipality, and each of them, is hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this ordinance.

Section 9. Effective Date. This ordinance shall take effect immediately upon its adoption.

ADOPTED BY THE ANCHORAGE ASSEMBLY THIS day of May, 1998.

By _____
Chair

ATTEST:

Municipal Clerk