

CLERK'S OFFICE

APPROVED

Date: 7-21-98

Submitted by: Assemblymembers WUERCH, Meyer,
Murdy

Prepared by: Assembly Office

For reading: July 21, 1998

ANCHORAGE, ALASKA

AR NO. 98- 249

**A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, CONSENTING TO THE
LOCATION OF, AND APPROVING, THE JUNEAU I LLC PROJECT OF THE ALASKA INDUSTRIAL
DEVELOPMENT AND EXPORT AUTHORITY**

WHEREAS, the Alaska Industrial Development and Export Authority (the "Authority") proposes to issue its Taxable Lease Revenue Bonds, 1998 (Juneau I LLC) (the "Bonds") to finance certain commercial enterprises of Juneau I LLC, an Alaska limited liability company, including retiring the obligations upon and remodeling existing office buildings located in the Municipality of Anchorage (see Exhibit A of the attachments for specific projects); and

WHEREAS, under the Alaska Industrial Development and Export Authority Act, Alaska Statutes 44.88, as amended, the Authority must obtain a resolution of the Municipality of Anchorage consenting to the location of the projects as contemplated by Section 44.88.095(c); and

WHEREAS, it is appropriate and desirable to adopt this resolution consenting to the location of the projects.

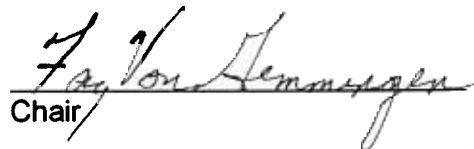
NOW, THEREFORE, the Anchorage Municipal Assembly resolves:

Section 1: Consent to Location. That the Assembly hereby consents to the location of the projects within the Municipality, as listed in Exhibit A of the attachments.

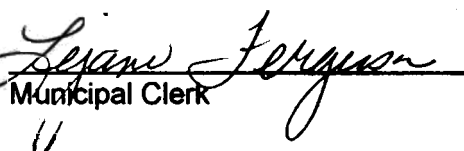
Section 2: Filing of Resolution. That, upon passage, the Municipal Clerk is hereby authorized and directed to file a certified copy of this resolution with the Authority.

Section 3: Effective Date. This resolution shall take effect upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly this 21st day of July, 1998.


Chair

ATTEST:


Municipal Clerk

All Anchorage Assembly Members

FROM: Tony Blomfield

DATE: July 20, 1998

Resolution for Blomfield Bonds

The Juneau I Limited Liability Company is selling bonds to refinance and remodel office and industrial buildings in Anchorage and Juneau, Alaska. The bonds are scheduled to be sold on August 5, 1998.

In accordance with Alaska Statute 44.88 a resolution by the Anchorage Assembly may be required. There is absolutely no risk to the Municipality of Anchorage. The Municipality will benefit from this project as it has created approximately 50 seasonal construction jobs, as the building interiors have been refurbished to an as-new condition, exterior landscaping and building improvements have or will occur and over 50 part-time and full-time jobs have been retained in the Municipality as a result of the improvements.

Due to timing concerns, the Municipal policy resolution needs to be introduced by an Assembly member at the regularly scheduled meeting on July 21, 1998. The resolution can be heard and acted upon as a part of the consent agenda.

We believe Mayor Mystrom's office and the Municipal Finance Department will support the resolution. Members of the finance team will be available at the assembly meeting to answer any questions you may have. The resolution should not take more than ten minutes to address.

Please contact Tony Blomfield at 562-2766 or 242-2766 if you have any questions or are interested in sponsoring the resolution.

Thank you for your professional assistance in this matter.

Attachments

WOHLFORTH, ARGETSINGER, JOHNSON & BRECHT

A PROFESSIONAL CORPORATION

**JULIUS J. BRECHT
CHERYL RAWLS BROOKING
CYNTHIA L. CARTLEDGE
BARBARA J. GREYER**

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**OF COUNSEL
PETER ARGETSINGER**

July 20, 1998

**Soren E. Orley
Chief Fiscal Officer
Municipality of Anchorage
632 West 6th Avenue, Room 810
Anchorage, Alaska 99501**

**Donald F. Duhr
Cash Management and Investment Officer
Municipality of Anchorage
632 West 6th Avenue, 3rd Floor
Anchorage, Alaska 99501**

**RE: Municipality of Anchorage Resolution Relating to the Issuance by the Alaska
Industrial Development and Export Authority of Taxable Lease Revenue
Bonds, 1998 (Juneau I LLC)**

Gentlemen:

You have recently received from Cynthia Weed and Stacey Crawshaw-Lewis of Preston Gates & Ellis a resolution relating to the above-referenced bonds. Ms. Weed and Ms. Crawshaw-Lewis have requested that we prepare this letter to explain to you the significance of the resolution and the reason that they have requested its passage by the Assembly.

Blomfield/Holden JV is an Alaska general partnership which, under the authority of AS 10.50.570, intends to convert itself to a limited liability company operating under the name of Juneau I LLC. The Blomfield/Holden JV general partnership and the Juneau I LLC limited partnership each consist mainly of Blomfield family members, and the spokesperson for the business is Tony Blomfield. Mr. Blomfield has asked the Alaska Industrial Development and Export Authority to issue the above-referenced bonds for the purpose of financing various commercial enterprises of the business, including, but not limited to, paying debt on four buildings located in Anchorage and owned by The Blomfield Group LLC

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(another business entity composed of Blomfield family members). The total amount of the debt on the Anchorage buildings exceeds \$6,000,000.

Because the total amount of bonds that AIDEA will issue to pay the debt on the Anchorage buildings exceeds \$6,000,000, the provisions of AS 44.88.095(c) apply. That subsection, in relevant part, reads as follows:

Before entering into a lease or other agreement . . .
regarding a project for which the authority agrees to
issue bonds in an amount in excess of \$6,000,000,
there must be filed with the authority a certified copy of
a resolution of the governing body of the political
subdivision of the state, if any, in which the project is to
be located, consenting to the location of the project.

It is for the purpose of satisfying this statutory requirement that Ms. Weed and Ms. Crawshaw-Lewis have presented the resolution to you and requested its passage by the Assembly. Without its passage by the Assembly, AIDEA will not be able to issue the bonds.

Insofar as liability of the Municipality is concerned, the resolution only expresses the Municipality's consent to the location of the four buildings involved. These four building are, of course, already in existence and located within the Municipality. The Municipality's expression of consent to their location in an Assembly resolution is meant only to satisfy the technical requirements of AIDEA's statutes relating to the issuance of bonds. There is no obligation or liability on the part of the Municipality with respect to the payment of the bonds, nor will any mention be made in the offering document for the bonds of the Municipality's resolution. The bonds will be payable exclusively from certain revenues described in the bond documents, and those revenues, of course, do not include any assets or income of the Municipality.

As a final note, Mr. Blomfield has requested a bond closing as early as possible, and we have accordingly planned for an August 6 closing date. To accomplish a closing by that date, Mr. Blomfield will have to present the resolution as passed by the Assembly to AIDEA some time before August 6. Please call me if you have any questions or would like to discuss this further; if you agree to schedule this for an Assembly meeting, I will attend the meeting and will be

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available to answer Assembly members' questions either before or during the meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Kenneth E. Vassar". The signature is fluid and cursive, with a large, stylized "K" and "V".

Kenneth E. Vassar

cc: Jim McMillan
Deputy Director-Credit
Valorie F. Walker
Deputy Director-Finance
Alaska Industrial Development
and Export Authority

EXHIBIT A
DESCRIPTION OF PROJECT
Juneau I LLC

The Project includes various commercial enterprises of the Company that are located in the Municipality of Anchorage. The Blomfield Group LLC will receive a distribution to be used to retire obligations upon and to remodel various Blomfield properties, including the following:

- the 33rd and Eagle Building, located at 3301 Eagle Street;
- the Data Center Building, located at 3300 Fairbanks Street;
- the Ship Avenue Building, located at 1800 Ship Avenue; and
- the 4th and Gambell Building, located at 400 Gambell Street.

All of these properties are commercial buildings located in Anchorage, Alaska.