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APPROVED

Submitted by: Chair of the Assembly at the request
of the Mayor

Prepared by: Bond Counsel

For Reading: AUGUST 15, 2000

MUNICIPALITY OF ANCHORAGE, ALASKA

ORDINANCE NO. AO 2000-1260

**AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
AUTHORIZING THE ISSUANCE OF A NONRECOURSE REVENUE
BOND (UNITED WAY OF ANCHORAGE), OF THE MUNICIPALITY
IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
\$850,000; AUTHORIZING THE EXECUTION AND DELIVERY OF A
LOAN AGREEMENT 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
BONDS; PROVIDING THE FORM OF BOND AND MANNER OF
SALE OF SAID BOND; AND PROVIDING THAT THE BOND BE
PLACED WITH NATIONAL BANK OF ALASKA.**

**WHEREAS, United Way of Anchorage, an Alaska non-profit corporation ("United
Way" plans to finance the acquisition price and improvements to property at
3350 Commercial Drive, within the Municipality (the "Project "); and**

**WHEREAS, United Way has requested the Municipality to issue its Nonrecourse
Revenue Bond, 2000 (United Way of Anchorage Project) in the aggregate dollar amount of
\$850,000 (the "Bond") for the purpose of paying all or a portion of the costs of the Project
and the issuance of the Bond; and**

**WHEREAS, the Bond will be purchased by National Bank of Alaska under the terms
and conditions set forth in a purchase commitment to be delivered and accepted by the
Municipality; and**

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2 WHEREAS, there will be prepared and submitted to the Municipality and filed with the
3 Municipal Clerk draft forms of a Loan Agreement (the "Loan Agreement") under which the
4 Municipality agrees to lend the proceeds of the Bond to United Way to fund all or a portion of
5 the Project; and

6 WHEREAS, it is necessary to establish the form and manner of sale of the Bond;

7 NOW THEREFORE, THE MUNICIPALITY OF ANCHORAGE ORDAINS

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9 Section Purpose. The purpose of this Ordinance is to authorize the issuance and
10 negotiated sale of Municipality of Anchorage, Alaska Nonrecourse Revenue Bond, 2000
11 (United Way of Anchorage) in an aggregate principal amount not to exceed \$850,000, to
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13 Section 2 Authorization of Bond. To fund a portion of the Project and to pay all
14 or a portion of the costs of issuance of the Bond, the issuance of not to exceed \$850,000 in the
15 aggregate principal amount of a revenue bond designated "Nonrecourse Revenue Bond, 2000
16 (United Way of Anchorage Project)" of the Municipality is hereby authorized

17 The final Bond terms shall be as set forth in the final form of said Loan Agreement

18 Section 3 Security for the Bond The Bond shall be secured by payments to be
19 made by United Way and other collateral to be pledged under the Loan Agreement and shall be
20 a special, limited obligation of the Municipality payable solely from and secured by payments
21 to be received under the Loan Agreement and such collateral The Bond does not and shall
22 never constitute a debt or indebtedness or loan of the credit of the Municipality within the
23 meaning of any provisions or limitations of the State constitution, the Municipal Charter, or
24 any statute or ordinance and shall not constitute or give rise to a pecuniary liability of the
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Municipality or a charge against the general credit or taxing power of the Municipality, and the face of the Bond shall so state.

Section 4. Placement of Bond. The Bond shall be sold to National Bank of Alaska (the "Bank") in accordance with its commitment dated June 28, 2000. The Mayor, Chief Fiscal Officer and other appropriate officials are hereby authorized to negotiate such matters with United Way.

Section 5. **Form of Bond.** The Bond shall be in substantially the following form with such additions and modifications as shall be appropriate to reflect the final negotiated terms of the Bond.

UNITED STATES OF AMERICA		
No.	\$850,000	
STATE OF ALASKA		
ANCHORAGE, ALASKA		
NONRECOURSE REVENUE BOND, 2000		
INTEREST RATE:	MATURITY DATE:	CUSIP NO.
REGISTERED OWNER:	National Bank of Alaska	
PRINCIPAL AMOUNT:	EIGHT HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS	

Anchorage, Alaska (the "Municipality"), a municipal corporation of the State of Alaska, hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or its registered assigns, solely out of the payments to be made by United Way of Anchorage, an Alaska non-profit corporation ("United Way") under the terms of a Loan Agreement, dated as of _____ between the Municipality and United Way and other collateral as described therein, all pursuant to Ordinance No. AO 2000-____, passed by the Municipal Assembly on _____, 2000 (the "Bond Ordinance"). Principal of and interest on this Bond shall be payable as follows:

This bond is one of an issue of bonds aggregating the principal sum of \$850,000 and is issued pursuant to the Constitution and statutes of the State of Alaska and the Home Rule Charter and duly adopted ordinances and resolutions of the Municipality, including particularly, the Bond Ordinance for the purpose of paying the costs of certain capital acquisitions and improvements to facilities of United Way within the Municipality.

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3 The Bond is subject to optional and/or mandatory redemption as follows
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5 It is hereby certified that all acts, conditions and things required by the Constitution and
6 statutes of the State of Alaska and the Home Rule Charter, resolutions and ordinances of the
7 Municipality to be done precedent to and in the issuance of this Bond have happened, been
8 done and performed.

9 IN WITNESS WHEREOF, Anchorage, Alaska, has caused this Bond to be executed
10 with the manual or facsimile signature of its Mayor and to be countersigned with the manual or
11 facsimile signature of its Municipal Clerk and the official seal of the Municipality to be
12 impressed or imprinted hereon, this ____ day of _____, 2000.

13 ANCHORAGE, ALASKA

14 By _____ /s/ manual or facsimile signature
15 Mayor

16 Countersigned

17 /s/manual or facsimile signature
18 Municipal Clerk

19 ACCEPTED

20 UNITED WAY OF ANCHORAGE
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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.

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

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

10 Section 9. Effective Date. This Ordinance shall take effect immediately upon its
11 adoption.

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13 ADOPTED BY THE ANCHORAGE ASSEMBLY THIS 12TH day of Sept., 2000.

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15 By Fay Van Hensingen
16 Chair

17 ATTEST:

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19 Lejane Ferguson
20 Municipal Clerk

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22 The Assembly added Chief Fiscal Officer Kate Giard's memo of September 11, 2000
23 as an amendment to AM 746-2000.
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CERTIFICATE

I, the undersigned, Municipal Clerk of the Municipality of Anchorage (herein called the "Municipality"), DO HEREBY CERTIFY:

1 That the attached Ordinance numbered AO 2000- (herein called the "Ordinance") is a true and correct copy of an ordinance of the Municipality as passed at a meeting of the Municipal Assembly held on , 2000, and duly recorded in my office.

2 That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Municipal Assembly voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Municipality of Anchorage this day of _____, 2000

Lejane Ferguson
Municipal Clerk


[SEAL]


MUNICIPALITY OF ANCHORAGE
MEMORANDUM

DATE: September 11, 2000

TO: Assemblyperson Clementson

THRU: Harry Kielling, Municipal Manager

THRU: Kate Giard, Chief Fiscal Officer 

FROM: Don Duhr, Cash Management & Investment Officer 

SUBJECT: Ordinance for Nonrecourse Revenue Bond – United Way of Anchorage

Nonrecourse Revenue Bond refers to the fact that the Municipality is in no way obligated to pay the debt service on the debt except from payments made by United Way under the terms of the loan agreement between NBA and United Way. There is no recourse against the Municipality if the borrower defaults on the loan payments.

The Project is a 24,000 square foot, two story building set on 2.5 acres, located at the corner of Mountain View and Commercial Drive. It will be used as a social services multi-cultural center for the Mountain View neighborhood.

We have no recourse, the bond is a private placement between National Bank of Alaska and United Way of Anchorage. It is in effect a loan to purchase the building. The building is pledged as collateral and the recourse of NBA is to repossess the building for non-payment of the loan.

The term of the loan is 15 years with payments due on the first day of each month. The interest rate on the loan is 7.5% however if the loan becomes taxable the rate will be equivalent to the ten-year treasury rate plus 3.5%.

As this is a private placement, the bond (loan) is not rated, as stated above, repossession is the only remedy available to NBA for non-payment. Since United Way of Anchorage is a 501(c)(3) corporation, they are eligible to receive tax exempt financing if a tax-exempt entity will agree to issue a nonrecourse revenue bond for them.