

12-12-00
postponed indefinitely

Submitted by: Chairman of the Assembly
at the Request of the Mayor
Prepared by: Bond Counsel
For Reading: November 21, 2000

MUNICIPALITY OF ANCHORAGE

RESOLUTION NO. AR 2000- 357

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING THE DEFEASANCE OF THE ANCHORAGE PARKING AUTHORITY'S LEASE REVENUE REFUNDING BONDS, SERIES 1993 OUTSTANDING IN THE AMOUNT OF \$11,175,000 AND AUTHORIZING THE CHIEF FISCAL OFFICER TO PREPARE AND IMPLEMENT A PLAN OF DEFEASANCE FOR SUCH BONDS.

WHEREAS, the Municipality of Anchorage, Alaska (the "Municipality") established the Anchorage Parking Authority (the "Authority") through the passage of Ordinance No. AO 84-10(S) on February 28, 1984; and

WHEREAS, the Authority by Resolution No. 93-1 (the "1993 Resolution") and a Trust Indenture entered into between the Authority and Seattle-First National Bank (now known as U.S. Bank Trust National Association) (the "Trustee") dated as of January 1, 1993 (the "1993 Indenture"), authorized the issuance of the Anchorage Parking Authority's Lease Revenue Refunding Bonds, Series 1993 (5th Avenue Garage Project) in the aggregate principal amount of \$16,240,000 (the "1993 Bonds"); and

WHEREAS, following the December , 2000 principal payment on the 1993 Bonds, the 1993 Bonds will remain outstanding and mature in the following principal amounts and bear interest on unpaid principal at the following interest rates:

Maturity Years (December 1)	Principal Amounts	Interest Rates
2002	\$ 2,280,000	6.50 %
2008	8,895,000	6.75

; and

WHEREAS, Section 1201 of the 1993 Indenture authorizes the defeasance of the 1993 Bonds prior to maturity; and

WHEREAS, the Municipality currently has funds to defease the 1993 Bonds, including funds from the Anchorage Telephone Utility (“ATU”) Trust Fund Reserve – Fund (731); and

WHEREAS, the Assembly deems it advisable and in the best interest of the Municipality to authorize the Chief Fiscal Officer of the Municipality (the “Designated Municipality Representative”) to undertake and complete such defeasance;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, as follows:

Section 1. Defeasance of 1993 Bonds; General Authorization to the Designated Municipality Representative; and Discharge of 1993 Indenture and Flow of Revenues to the Municipality.

(a) *Defeasance.* The Municipality shall set aside and deposit with the Trustee available funds of the Municipality in amounts sufficient, with other money held by the Trustee, to defease all outstanding 1993 Bonds and pay the costs of defeasance. Funds to accomplish the defeasance shall be obtained from the Reserve Fund for the 1993 Bonds held by the Trustee and from appropriations made pursuant to Section 2 of this resolution from the ATU Trust Fund Reserve - Fund (731). Pursuant to Section 2 of this resolution and Ordinance No. 2000-162(S), a portion of the funds necessary to accomplish the defeasance shall be appropriated from the ATU Trust Fund Reserve – Fund (731) to the Areawide General Fund – Fund (101) to complete the defeasance.

(b) *General Authorization to the Designated Municipality Representative.*
The Assembly of the Municipality hereby authorizes and directs the Designated Municipality

Representative to arrange for the defeasance of the 1993 Bonds in accordance with the provisions of the 1993 Indenture and this resolution. The Designated Municipality Representative, with the assistance of the Municipality's financial advisor shall arrange for purchase of noncallable "Federal Obligations" as defined in the 1993 Indenture maturing at such times and in such amounts as shall be necessary for the payment of the principal of, interest on and redemption premium, if any, on the 1993 Bonds and to undertake a plan for the defeasance of the 1993 Bonds ("Plan of Defeasance").

Pursuant to the Plan of Defeasance, Federal Obligations shall be purchased and held by the Trustee until disbursed to pay the principal of, interest on and redemption premium, if any, on the 1993 Bonds. The Plan of Defeasance may provide for the payment of the 1993 Bonds at the maturity thereof or at redemption prior to maturity, may designate an escrow verification agent to prepare a verification of the sufficiency of the escrowed Federal Obligations, shall provide for the giving of notice of defeasance and notice of redemption, if appropriate shall provide for the payment of all rebatable arbitrage, if any, to the federal government with respect to the 1993 Bonds, shall provide for the payment of all costs of executing the Plan of Defeasance such costs to be paid from the escrowed funds on the date of defeasance.

The Trustee is hereby authorized and directed to provide for the timely giving of notice of defeasance of the 1993 Bonds in accordance with the applicable provisions of the 1993 Indenture and notice of redemption, if any. The Designated Municipality Representative is authorized and requested to provide whatever assistance is necessary to accomplish such defeasance and the giving of notice therefor. The costs of publication of such notice shall be an expense of the Municipality.

The payment of all fees, compensation and expenses incurred in connection with the Plan of Defeasance shall be paid on the date of defeasance.

(c) *Discharge of 1993 Indenture and Flow of Revenues to the Municipality.*

Following the defeasance of the 1993 Bonds as provided in the 1993 Indenture no further payments need be made into the Bond Fund for the 1993 Bonds for the payment of the principal of and interest on the 1993 Bonds, and the 1993 Bonds shall cease to be entitled to any lien, benefit or security of the 1993 Indenture except the right to receive the funds so set aside and pledged, and the 1993 Bonds shall be deemed not to be outstanding under the 1993 Indenture. The pledge and assignment of any Revenues (as defined in the 1993 Indenture), and other moneys and securities pledged under the 1993 Indenture and all covenants, agreements and other obligations of the Authority to the bondowners, shall thereupon cease, terminate and become void and be discharged and satisfied. In consideration of the Municipality's agreement to provide funds to defease the 1993 Bonds, the Trustee shall cause an accounting to be prepared and filed with the Municipality and, upon the request of the Municipality shall execute and deliver to the Municipality all such instruments as may be desirable to evidence such discharge and satisfaction of the 1993 Bonds. Further, the Trustee shall pay over or deliver to the Municipality all moneys or securities held by it pursuant to the 1993 Indenture which are not required for the Plan of Defeasance.

All other moneys held by the Trustee under the 1993 Indenture other than those required to pay costs and effect the defeasance, shall paid to the Municipality for deposit to the general fund of the Municipality. The Authority shall, by resolution, approve the transfer to the Municipality of all surplus revenues (gross revenues less monthly maintenance and operations costs) to the Municipality.

Section 2. Appropriations. An amount of not to exceed ten million two hundred fifty thousand dollars (\$10,250,000) is hereby appropriated from the ATU Trust Fund Reserve - Fund (731) to the Areawide General Fund - Fund (101) for the purpose of funding the Plan of Defeasance.

Section 3. Effective Date. This resolution shall take effect immediately from and after its adoption.

ADOPTED BY THE ANCHORAGE ASSEMBLY THIS DAY
_____, 2000.

By _____
Chair

ATTEST:

Municipal Clerk