

Introduced by: Mayor  
Date: July 16, 1985  
Vote:  
Action: *Never Addressed*  
*not introduced*

KENAI PENINSULA BOROUGH

RESOLUTION 85-134

DETERMINING ELIGIBILITY OF INDUSTRIAL DEVELOPMENT PROJECT FOR INDUSTRIAL REVENUE BOND FINANCING.

WHEREAS, the Kenai Peninsula Borough (the "Borough") is authorized and empowered by the provisions of Alaska Statutes, Section 29.58.200 as amended (the "Act"), to issue revenue bonds for the purpose of providing funds to pay the cost of certain capital improvements within the Kenai Peninsula Borough; and

WHEREAS, the business enterprise described in Exhibit "A" attached hereto and made a part hereof, (the "Company") desires to sponsor the acquisition, construction, reconstruction, improvement and equipping of the property described in Exhibit "A" (the "Project") to be located as stated in Exhibit "A"; and

WHEREAS, the Company has requested the Borough to issue and sell its revenue bonds pursuant to the provisions of the Act for the purpose of paying all or a portion of the cost of the Project; and

WHEREAS, the Borough has found, and hereby finds, based on the information reasonably available to it, that (i) the Project and its development under the Act will be economically advantageous to the State and the general public welfare and will contribute to the economic growth of the State, (ii) the Company is financially responsible, (iii) The Project will provide or retain employment within the Borough, and (iv) the scope of the Project is sufficient to provide a reasonable expectation of a benefit to the economy of the Borough; and

WHEREAS, it is considered essential that acquisition and construction of the Project be completed at the earliest practicable date, but, at the same time, the Company wishes to begin acquisition and construction of the Project only after satisfactory assurances from the Borough that the proceeds of the sale of the revenue bonds of the Borough in an amount necessary to pay all or a portion of the cost of the Project will be made available to finance the Project; and

WHEREAS, the Borough considers that the acquisition, purchase, construction, improvement and equipping of the Project and the financing, leasing or otherwise acquiring of the same will promote and further the purposes of the Act and the public purposes of the Borough; and

WHEREAS, Treasury Regulation 1.103-8(a)(5) adopted under Section 103 of the Internal Revenue Code of 1954, as amended (the

"Code") requires that in order for interest on industrial development bonds to be exempt from federal income tax the issuer of such bonds must adopt a bond resolution with respect to such bonds or take some other similar official action toward the issuance of such bonds prior to the commencement of construction or acquisition of the facilities which constitute the Project; and

WHEREAS, one of the purposes of this resolution is to satisfy the requirements of such regulations;

NOW THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

Section 1. That in order to insure the acquisition or construction of the Project, with the resulting public benefits which will flow from the operation thereof, the Borough will issue and sell its bond (the "Bonds") pursuant to the provisions of the Act in a principal amount sufficient to pay the cost of financing all or a portion of the Project described in Exhibit "A", together with costs incident to the authorization, sale and issuance of the Bonds. The aggregate cost of the portion of the Project to be financed by the Borough, which is the amount of the Bonds to be issued by the Borough for the Project, is presently estimated to be the amount stated on Exhibit "A".

Section 2. That the proceeds of the Bonds will be used to construct or to acquire the Project by purchase, lease or otherwise, and to reconstruct, improve and equip the Project.

Section 3. That the Borough will enter into a loan agreement, lease and sublease or other financing agreement with the Company for the payment for and use of the Project as more fully described in the Memorandum Agreement referred to below.

Section 4. That the Memorandum of Agreement between the Borough and the Company substantial in the form submitted to and made a part of the records of this meeting is approved and the Mayor is hereby authorized and directed to execute said Memorandum of Agreement on behalf of the Borough.

Section 5. That it is intended that this resolution shall constitute "some other similar official action" toward the issuance of the Bonds within the meaning of Section 1.103-8(a)(5) of the Treasury Regulations.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 1985.

\_\_\_\_\_  
Marilyn Dimmick, Assembly President

ATTEST:

\_\_\_\_\_  
Borough Clerk