

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-27

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA AMENDING SITKA GENERAL CODE CHAPTER 4.44, "SOUTHEAST ALASKA ECONOMIC DEVELOPMENT FUND"

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

2. **SEVERABILITY.** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstances shall not be affected.

3. **PURPOSE.** The purpose of this ordinance is to amend the Sitka General Code pertaining to the Southeast Alaska Economic Development Fund by permitting a portion of the corpus of the Fund to be permanently transferred to another fund of the City and Borough of Sitka without requirement for repayment, and, to establish guidelines for participation loans and loan guarantees to private enterprise.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that Section 4.44 of the Sitka General Code is amended to read as follows (deleted language is stricken and new language is underlined):

Chapter 4.44 SOUTHEAST ECONOMIC DEVELOPMENT FUND

Sections:

4.44.010 Establishment.

4.44.020 Participation Loans to Private Enterprise

4.44.0530 ~~Procedure for deciding upon applications for loan guarantees.~~ Loans or Transfers to
Other Municipal Funds

4.44.040 Repayments and Investment Earnings On The Fund Corpus

4.44.010 Establishment.

There shall be established a southeast economic development fund ("fund"), for qualifying ~~private-sector loans and transfers to other Municipal funds, and, for financial institution participation loans to private enterprises.~~ Loans or transfers to other Municipal funds shall be for purposes of promoting the efficiency and effectiveness of Municipal government, or, for improvements which shall lessen rate and fee burdens on citizens. Loans to

private enterprises shall be for purposes of expanding the Municipality's economic base, generating commerce external to Sitka, and creating family wage jobs in Sitka. Only the assembly can authorize any loan or transfer from this fund.

4.44.020 Participation Loans And Loan Guarantees To Private Enterprise

A. Any loan or loan guarantee to a private enterprise shall be a participation loan in conjunction with a financial institution. No loans shall be made by the Fund directly to a private enterprise.

B. Proposals for participation loans or loan guarantees shall be prepared by the participating financial institution and presented to the Assembly for approval by the participating institution.

C. The Municipal Administrator shall be responsible for developing and administering administrative policies governing participation loans and loan guarantees to private enterprise

4.44.0530 Procedure for deciding upon applications for loan guarantees. Loans and Transfers to Other Municipal Funds

~~A. Application forms can be obtained from the finance director for loans from this fund. Completed application forms will be submitted to the assembly.~~

~~B. The finance director shall certify in writing the following to the municipal administrator and assembly regarding any submitted application form:~~

~~1. The funds to make the loan are available and shall be accounted for in future reports to the assembly;~~

~~2. The remaining fund balance if the full amount of the loan is awarded; and~~

~~3. The applicant has all necessary licenses and permits to do business with the city and borough, and the applicant is not delinquent on any of their accounts with the city and borough, including sales taxes, property taxes, hotel, motel, bed and breakfast transient room rental tax, and utility payments.~~

GA. Any proposed loan or transfer from the Fund to another Municipal fund shall be proposed to the Assembly by the Administrator with justification as to the benefits to be derived from the loan or transfer. The assembly

shall decide whether to approve the loan or transfer, including whether to grant the full amount requested or a lesser amount, and whether to set any conditions.

DB. Any loan granted from the Fund to another Municipal fund requires interest to be charged at a rate to be determined by the assembly.

C. ~~This is a revolving fund, with loan repayments and interest earned on loans deposited in the fund.~~

4.44.040 Repayments and Interest Earnings on the Fund Corpus

A. All loan repayments, including both interest principal repayments, shall be re-deposited into the Fund.

B. Investment earnings on the undisbursed corpus of the Fund shall be transferred to the Building Maintenance Fund.


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5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 4th day of May, 2015.


Mim McConnell, Mayor

ATTEST:


Sara Peterson, CMC
Municipal Clerk

1st reading 4/23/15
2nd reading 5/4/15