



## CITY OF SAINT PAUL

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### RESOLUTION 20-10

**A RESOLUTION APPROVING PAYMENT OF AMOUNT HELD IN THE COASTAL ENERGY IMPACT PROGRAM (CEIP) LOAN RESERVE FUND AND AUTHORIZING THE MAYOR, CITY MANAGER, OR CITY FINANCE DIRECTOR TO EXECUTE ALL ACTIONS NECESSARY AND INCIDENTAL TO SECURING FORGIVENESS OF SAID LOAN BETWEEN THE U.S. DEPARTMENT OF COMMERCE, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, THE ALASKA MUNICIPAL BOND BANK AND THE CITY OF SAINT PAUL, ALASKA.**

WHEREAS, the City of Saint Paul, Alaska (the "City"), the Alaska Municipal Bond Bank Authority (the "Bond Bank"), and the United States Department of Commerce, National Oceanic and Atmospheric Administration (the "Government") entered into a Tripartite Agreement among and between themselves on April 30, 1987 (the "Tripartite Agreement"); and,

WHEREAS, Loan No. 90-8-MO1-02A5B(11) in the principal amount of \$6,562,878 was issued under said Agreement (the "CEIP Loan") and over the lifetime of the CEIP Loan, the City has repaid \$3,064,084.22, including principal and interest, and as of March 1, 2020, the outstanding balance due and owed by the City on the CEIP Loan stands at \$6,005,878.00 in principal and \$2,083,581.77 in interest; and,

WHEREAS, the Tripartite Agreement has been amended on four prior occasions, the last amendment being designated the "Fifth Amendment" thereto, which established a moratorium on principal and interest payments on the CEIP Loan from 2005 until the present; and,

WHEREAS, the Government may provide repayment assistance under the terms of the Coastal Zone Management Act (CZMA) including a recommendation of forgiveness of the CEIP Loan to the U.S. Congress; and,

WHEREAS, the Government has determined that City's CEIP loan will not be repaid within a reasonable time frame given that opilio crab fisheries continue to show no indication of recovery, and no other substantial revenue sources have been identified; and,

WHEREAS, the Government is now prepared to proceed with recommending to the U.S. Congress that it enact legislation to forgive the City's CEIP loan; and,

WHEREAS, the Government's current policy is to proceed with a recommendation of forgiveness only after the Government has recovered all possible funds directly related to the CEIP Loan; and,

WHEREAS, under the terms of the Fourth and Fifth Amendments to the Tripartite Agreement the City was required to maintain a minimum of \$150,000 in a Reserve Fund for possible interest and principal payments; and,

WHEREAS, the Government has stated that once it has recovered the \$150,000 in the Reserve Fund it will support and move forward with a recommendation to Congress that the City's CEIP Loan be forgiven.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL AS FOLLOWS:

1. The Mayor, City Manager or the Finance Director are hereby authorized, empowered, and directed to execute all documents and to take any further action necessary for or on behalf of the City to secure forgiveness of the CEIP Loan, including payment of the Reserve Fund amount as instructed by the Government.
2. All past actions of the Mayor, the City Manager, the Finance Director, other officials, officers and employees, as well as agents of the City, in the request for repayment assistance from the Government and a recommendation of forgiveness of the CEIP Loan by Congress are hereby ratified and approved.
3. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED BY APPROVAL OF THE COUNCIL OF THE CITY OF SAINT PAUL THIS 27<sup>TH</sup> DAY OF APRIL, 2020 BY 6 IN FAVOR 0 OPPOSED AND 0 ABSTAIN.

  
Jacob N. Mercurief, Mayor

ATTEST:

  
Monique Baker, City Clerk