

EAGLECREST SUMMER OPERATIONS TASK FORCE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
March 5th, 2020 12:05 PM
City Hall, Conference Room 224
Meeting Minutes

- I. CALL TO ORDER/ROLL CALL:** Maria Gladziszewski, Wade Bryon, Carol Triem, Mike Satre, Jon Dale, Bruce Garrison, Staff: Rorie Watt, Jeff Rodgers, Robert Palmer, Dave Scanlan
- II. APPROVAL OF AGENDA**
- III. APPROVAL OF MINUTES:** February 5th 2020
- IV. AGENDA TOPICS**
 - a.** Discussion on Revenue Bonds and other Debt Mechanisms led by CBJ Finance Director Jeff Rogers

Jeff Rogers provided context and information on Revenue Bonds and how they compare to general obligation bonds and what drives interest rates on different types of bonds. Revenue Bonds are only backed by the revenue stream provided by the prospective projects and the durability of the revenue stream. Typically the higher the business risk, the higher interest rates that correspond. If a debtor defaults on a revenue bond, the bond holder has financial recourse only to the income and assets specified by the revenue bond agreement. In the event of a revenue bond default, bond holders would not have any financial recourse to other city assets or income. Having a third party Guarantor that will guarantee repayment of the revenue bond will help keep interest rates lower since the risk profile new ventures lower in this scenario. AIEDA participates in this capacity for many projects.

Historically CBJ has used the Alaska Municipal Bond Bank to sell bonds into the market. When doing this the full strength of the State's credit rating is leveraged to guarantee all bonds, even revenue bonds. The State has the right to execute the authority to hold back State School Funding to preserve their position in the bond repayment. If we were to issue a revenue bond we would likely not sell that bond through the Alaska Bond Bank and would instead go to the bond market on our own. There was discussion on looking toward the Cruise Industry, AIEDA and other players that could partner with us to back our revenue bond issue.

There was discussion around other revenue bonds that the city issued in the past for the Cruise Ship Docks and Airports. Discussion was had about the necessary bond reserve amount, which is typically one year of annual payments on the bonds, which is typically, funded by the initial bond issue. In a revenue bond, any Fund Balance can be pledged to guarantee a bond issue.

Note: Agenda packets are available to review online at <https://juneau.org>

ADA accommodations available upon request: Please contact the City Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape of the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, email: city.clerk@juneau.org.

There was discussion about the restrictions imposed by the LWCF to private ownership of the any assets that are on the Eaglecrest. The Land Water Conservation Fund Land Conversion option was discussed as a way to create additional investment opportunities.

b. Update on Conversations with Cruise Industry Representatives and state of the industry

Rorie Watt, gave an overview of conversation that he has had with Norwegian, Carnival and Royal Caribbean. Norwegian was interested in providing passengers to Eaglecrest but was not ready to guarantee passengers. There are many projects at play around Southeast that may free up capital to invest in projects that were not related to actual dock construction. Royal Caribbean was most active in conversations on developing shore excursions and were quite interested in being a partner in Eaglecrest Development.

There was some conversation about executing the Feasibility Study with a Ski Area Master Planning Firm to polish and third party verify the work that Eaglecrest has done on the current plans.

V. ADJOURNMENT – Next meeting April 2nd 2020 at 12:05pm in room 224 City Hall

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