

ORDINANCE NO. 5950

**AN ORDINANCE TO PROVIDE A GRANT TO THE BREAD LINE, INC./
STONE SOUP CAFÉ AND AMENDING THE 2014 OPERATING AND
CAPITAL BUDGETS TO REFLECT THE GRANT TRANSACTION**

WHEREAS, The Bread Line, Inc., as Stone Soup Café, has been providing an essential human service – feeding hungry people – within the City of Fairbanks since 1984; and

WHEREAS, The Bread Line, Inc., purchased property at 507 Gaffney Road from the City of Fairbanks in 1993, with the Bread Line making a down payment of \$25,000, and the City financing the balance of \$125,000 for 20 years at an interest rate of 3%; and

WHEREAS, in 2012, the City agreed to refinance the principal and interest (total of \$59,507), under the same interest rate (3%) with monthly payments of \$1,067.47; and

WHEREAS, the current balance on the debt to the City as of June 1, 2014 is \$36,619.14; and

WHEREAS, the building was renovated and remodeled in 2012 with funds from the State of Alaska, the Rasmuson Foundation, the William Stroecker Foundation, Wells Fargo, and the Alaska Mental Health Trust; and

WHEREAS, the renovation and remodel was supported by over \$200,000 of in-kind labor and materials supplied by the local construction community; and

WHEREAS, in 2013, the Stone Soup Café served over 25,000 meals to hungry people from its location at 507 Gaffney; and

WHEREAS, the building renovation and remodel was designed to serve as Catalyst Kitchen training facility for people with barriers to employment; and

WHEREAS, the Fairbanks North Star Borough has approved a grant in the amount of \$50,000 to implement the food service training program at 507 Gaffney; and

WHEREAS, the Bread Line has requested a grant in the amount of the current principal and interest, with the grant being immediately applied to satisfy the debt to the City; and

WHEREAS, by eliminating the debt, the City grant would help the Bread Line begin implementation of the Catalyst Kitchen life skills training program by restructuring cash flows to address operating costs equivalent to: (1) one year of fuel oil for the building; (2) 6,000 meals; or (3) 25% of the wages for a Food Service Training Manager;

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:

SECTION 1. A grant is hereby made to The Bread Line, Inc., in an amount equal to the outstanding principal and interest due to the City from Bread Line, Inc., from the sale of the property located at 507 Gaffney Road, Fairbanks, Alaska, as of the effective date of this ordinance.

SECTION 2. The amount of the grant will be immediately transferred to the City's Permanent Fund to satisfy The Bread Line's note with the City.

SECTION 3. The 2014 Operating and Capital Budget will be amended to reflect the reduction in the City's General Fund and the transfer to the Permanent Fund.


SECTION 4. The effective date of this ordinance shall be the 12th day of July 2014.



JOHN EBERHART, MAYOR

AYES: Gatewood, Walley, Anderson, Matherly, Staley
NAYS: None
ABSENT: Hilling
ADOPTED: July 07, 2014

ATTEST:



Janey Hovenden, MMC, City Clerk

APPROVED AS TO FORM



Paul J. Ewers, City Attorney