

Requested by: Chair of the Assembly at the  
Request of the Mayor  
Prepared by: Cynthia M. Weed, Bond  
Counsel  
K&L GATES LLP  
For Reading: January 19, 2010

*Postponed indefinitely 2/2/10*

**MUNICIPALITY OF ANCHORAGE  
ORDINANCE No. 2010-4**

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED THIRTY-FIVE MILLION ONE HUNDRED TEN THOUSAND DOLLARS (\$35,110,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF ROAD, STORM DRAINAGE AND RELATED CAPITAL IMPROVEMENTS AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 6, 2010.

**WHEREAS**, the best interest of the citizens and property owners in the Anchorage Roads and Drainage Service Area serving the Municipality of Anchorage, Alaska (the "Municipality") require the Municipality to acquire, construct, renovate, upgrade and undertake certain road improvements, roadway safety improvements, storm collection drainage and treatment improvements and related capital improvements; and

**WHEREAS**, the Assembly of the Municipality have identified necessary capital acquisitions, construction, renovations, upgrades and improvements within the Anchorage Roads and Drainage Service Area; and

**WHEREAS**, in order to provide funds to perform the necessary acquisitions, construction, renovations, upgrades and improvements as further described in Section 1 of this ordinance (the "Projects"), it is deemed necessary and advisable

1 that the Municipality issue and sell its general obligation bonds (the "Bonds"); now,  
2 therefore,

3 **THE ANCHORAGE ASSEMBLY ORDAINS:**

4 **Section 1.** Purpose. The Assembly hereby determines that the roads and storm  
5 drainage within the Anchorage Roads and Drainage Service Area are in need of  
6 capital acquisitions, construction, renovation, upgrades and improvements (the  
7 "Projects"). The Assembly of the Municipality hereby determines that the best  
8 interest of the residents and property owners within the Anchorage Roads and  
9 Drainage Service Area require the Municipality to undertake the Projects at the  
10 time and in the order and in the manner deemed most necessary and advisable by  
11 the Municipality. The estimated cost of the Projects, including incidental costs and  
12 costs related to issuing and selling the Bonds as provided in this ordinance, is  
13 estimated to be \$35,110,000.

14 The Projects are described in more detail in the attachment to the Assembly  
15 Memorandum accompanying this ordinance. The cost of all necessary planning,  
16 acquisition of property for, site preparation, construction, installing and equipping  
17 of the Projects, architectural, engineering, design, and other consulting services,  
18 inspection and testing, administrative expenses, costs of issuance of the Bonds  
19 (hereinafter defined) and other costs incurred in connection with the Projects shall  
20 be deemed to be costs of the approved Projects. The approved Projects may be  
21 completed with all necessary equipment and appurtenances.

1           The Municipality shall determine the application of available moneys as  
2 between the various Projects so as to accomplish, as nearly as may be, all of the  
3 Projects described or provided for in this section.

4           If the Municipality shall determine that it has become impractical to  
5 accomplish any portion of the approved Projects by reason of changed conditions  
6 or needs, incompatible development or costs substantially in excess of those  
7 estimated, the Municipality shall not be required to accomplish such portions and  
8 shall apply Bond proceeds as set forth in this section.

9           If the approved Projects have been completed in whole or in part, or their  
10 completion duly provided for, or their completion found to be impractical, the  
11 Municipality may apply Bond proceeds or any portion thereof to other Municipality  
12 road and storm drainage capital improvements at its sole discretion. Otherwise,  
13 the Municipality shall apply such remaining proceeds solely to payment of principal  
14 or interest on the Bonds, as provided in the Home Rule Charter. In the event that  
15 the proceeds of sale of the Bonds, plus any other monies of the Municipality  
16 legally available, are insufficient to accomplish the approved Projects, the  
17 Municipality shall use the available funds for paying the cost of those portions of  
18 the approved Projects deemed by the Municipality most necessary and in the best  
19 interest of the Municipality. No Bond proceeds shall be used for any purpose  
20 other than a capital improvement.

21           For the purpose of providing funds for the undertaking of the Projects,  
22 which are hereby found to be a public purpose and in the public interest, the  
23 Municipality hereby proposes to issue general obligation bonded indebtedness in

1 an amount not to exceed Thirty-Five Million One Hundred Ten Thousand Dollars  
2 (\$35,110,000) (the "Bonds").

3 **Section 2.** Details of Bonds. The Bonds shall be sold in such amounts and at  
4 such time or times as deemed necessary and advisable by the Assembly and as  
5 permitted by law and shall mature over a period of up to 20 years from date of  
6 issue. The Bonds shall be issued in an aggregate principal amount of not to  
7 exceed \$35,110,000. The Bonds shall bear interest to be fixed at the time of sale  
8 or sales thereof. The exact form, terms, conditions, contents, security, options of  
9 redemption, and such other matters relating to the issuance and sale of said  
10 Bonds as are deemed necessary and advisable by the Assembly shall be as  
11 hereinafter determined and/or delegated by ordinance and/or resolution of the  
12 Assembly.

13 The full faith and credit of the Municipality is pledged for the payment of the  
14 principal of and interest on the Bonds, and ad valorem taxes upon all taxable  
15 property in the Municipality shall be levied without limitation as to rate or amount to  
16 pay the principal and interest on the Bonds when due. The principal of and  
17 interest on the Bonds are to be paid first from ad valorem taxes levied and  
18 collected within the Anchorage Roads and Drainage Service Area.

19 **Section 3.** Ballot Proposition. The Assembly hereby submits to the qualified  
20 electors of the Municipality the proposition of whether or not the Municipality  
21 should issue the Bonds for the purpose of financing the costs of the approved  
22 Projects at the regular municipal election to be held on April 6, 2010.

1 The Clerk shall prepare the ballot proposition to be submitted to the voters  
2 as provided by this ordinance and the Municipal Code and shall perform all  
3 necessary steps in accordance with law to place this proposition before the voters  
4 at the regular election. The proposition must receive a majority vote of those in  
5 the Municipality voting, both in the Anchorage Roads and Drainage Service Area  
6 and areawide, on the question to be approved. The proposition shall be  
7 substantially in the following form:

8 PROPOSITION NO. \_\_\_\_\_  
9

10 ANCHORAGE ROADS AND DRAINAGE SERVICE  
11 AREA ROAD AND STORM DRAINAGE BONDS  
12

13 For the purpose of providing roads and storm drainage  
14 capital acquisition, construction, renovation, upgrades  
15 and related capital improvements as provided in  
16 Ordinance No. AO 2010-\_\_\_\_, shall Anchorage borrow  
17 money and issue up to \$35,110,000 in principal amount  
18 of general obligation bonds and increase the municipal  
19 tax cap by an annual amount not to exceed \$70,000 to  
20 pay the associated annual operations and maintenance  
21 costs? The proposed capital improvements would be  
22 located within the Anchorage Roads and Drainage  
23 Service Area.  
24

25 Voter approval of this bond proposition authorizes for  
26 each \$100,000 of assessed taxable property value  
27 (based on the estimated 2010 assessed valuation in  
28 the Anchorage Roads and Drainage Service Area):  
29 (i) an annual increase in taxes of approximately \$11.21  
30 to retire the proposed bonds, and (ii) an annual  
31 increase necessary to fund the proposed increase in  
32 the municipal tax cap (Charter 14.03(b)(2)) of  
33 approximately \$0.28 to pay for annual operations and  
34 maintenance costs related to the proposed capital  
35 improvements.  
36

1 The debt shall be paid from real and personal property  
2 taxes levied and collected within the Anchorage Roads  
3 and Drainage Service Area. Anchorage will also  
4 pledge its full faith and credit for payment of the debt.  
5

6 (No. AO 2010-\_\_\_)

7 **Section 4.** Submission of Question to Voters. The proposition, both for paper  
8 ballots and machine ballots, shall be printed on a ballot which may set forth other  
9 general obligation bond propositions, and the following words shall be added as  
10 appropriate and next to a square provided for marking the ballot or voting by a  
11 machine:

12 PROPOSITION NO. \_\_\_\_\_

BONDS, YES

13 BONDS, NO

14 **Section 5.** Effective Dates. Section 2 of this ordinance shall become effective  
15 only if the proposition described in Section 3 is approved by a majority of the  
16 qualified voters voting on the proposition at the regular election held on April 6,  
17 2010. The remaining sections of this ordinance shall become effective upon  
18 passage and approval.

19 PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this  
20 \_\_\_ day of \_\_\_\_\_, 2010.

21  
22  
23 By \_\_\_\_\_  
24 Chair of the Assembly

25 ATTEST:

26  
27 \_\_\_\_\_  
28 Municipal Clerk  
29  
30

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2010-4

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED THIRTY-FIVE MILLION ONE HUNDRED TEN THOUSAND DOLLARS (\$35,110,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF ROAD, STORM DRAINAGE AND RELATED CAPITAL IMPROVEMENTS AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 6, 2010.

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Prepared by

K&L GATES LLP

**MUNICIPALITY OF ANCHORAGE  
ORDINANCE No. 2010-4**

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\* This Table of Contents and the cover page are for convenience of reference and are not intended to be a part of this ordinance.



**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects - General Government**

AO Number: 2010-4

Title: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED THIRTY-FIVE MILLION ONE HUNDRED TEN THOUSAND DOLLARS (\$35,110,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF ROAD, STORM DRAINAGE AND RELATED CAPITAL IMPROVEMENTS AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 6, 2010.

Sponsor: Mayor  
 Preparing Agency: Finance  
 Others Impacted: ARDSA

**CHANGES IN EXPENDITURES AND REVENUES:** (Thousands of Dollars)

	FY10	FY11	FY12	FY13	FY14
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	70	70	70	70	70
4000 Debt Service	1,379	2,758	2,758	2,758	2,758
5000 Capital Outlay					
<b>TOTAL DIRECT COSTS:</b>	<b>1,449</b>	<b>2,828</b>	<b>2,828</b>	<b>2,828</b>	<b>2,828</b>

ADD: 6000 Charge from Others  
 LESS: 7000 Charge to Others

FUNCTION COST:

REVENUES:

CAPITAL:

POSITIONS: FT/PT and Temp.

**PUBLIC SECTOR ECONOMIC EFFECTS:**

Estimated annual debt service of \$2,757,907 assumes bonds are sold as a package @ 4.75% interest, with bond repayments corresponding to the expected life of the assets financed up to 20 years.

When projects are completed and fully functioning, increased annual operations and maintenance costs are estimated at \$70,000.

**PRIVATE SECTOR ECONOMIC EFFECTS:**

Estimated annual debt service payments of approximately \$2,757,907 equate to an estimated property tax increase of 0.1121 mills or \$11.21 per year on \$100,000 of assessed valuation in the ARDSA.

When fully operational, increased annual operations and maintenance costs are estimated at \$70,000 and equate to an estimated property tax increase of 0.0028 mills or \$0.28 per year on \$100,000 of assessed valuation in the ARDSA.

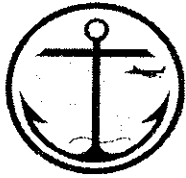
The total private sector economic effect would therefore be the increase in the Municipal tax cap limitation related to the payment of debt service and operations and maintenance costs as shown above for a total of \$11.49 per \$100,000 of assessed valuation in the ARDSA.

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Prepared by: Ross Risvold, Manager of Public Finance & Investments

343-6606

SEE 2010 ARDSA Prop.doc



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 39-2010

Meeting Date: January 19, 2010

1 **From:** Mayor

2  
3 **Subject:** AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE  
4 QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF  
5 THE ISSUANCE OF NOT TO EXCEED THIRTY-FIVE MILLION ONE  
6 HUNDRED TEN THOUSAND DOLLARS (\$35,110,000) OF GENERAL  
7 OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO  
8 PAY THE COSTS OF ROAD, STORM DRAINAGE AND RELATED  
9 CAPITAL IMPROVEMENTS AND THE QUESTION OF AN INCREASE IN  
10 THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED  
11 OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE  
12 ROADS AND DRAINAGE SERVICE AREA AT THE ELECTION TO BE  
13 HELD IN THE MUNICIPALITY ON APRIL 6, 2010.  
14

15 The attached ordinance will place a general obligation bond proposition for the ARDSA  
16 on the ballot for the regular Municipal election to be held on April 6, 2010.  
17

18 The Administration recommends scheduling a public hearing for this bond ordinance on  
19 February 2, 2010.  
20

21 The 2010 ARDSA road bond will implement the priorities established in the recently  
22 approved 2010-2015 Capital Improvement Program. The bond provides funds for  
23 reduced traffic congestion, improves public safety, promotes economic development,  
24 and addresses rehabilitation needs on deteriorating collector and arterial streets.  
25 Please see the attached Project List.  
26

27 THE ADMINISTRATION RECOMMENDS THAT THE MUNICIPAL ASSEMBLY  
28 APPROVE THE PROPOSED ORDINANCE PLACING THE ANCHOARGE ROADS  
29 AND DRAINAGE SERVICE AREA BOND PROPOSITION ON THE APRIL 6, 2010  
30 BALLOT.  
31

32 Prepared by: Lucinda Mahoney, CFO  
33 Concurrence: Cheryl Frasca, Office of Management & Budget  
34 Concurrence: Dennis A. Wheeler, Municipal Attorney  
35 Concurrence: George J. Vakalis, Municipal Manager  
36 Respectfully submitted: Daniel A. Sullivan, Mayor  
37

2010 ARDSA BOND

Project Name	Estimated Life	2010 Bond	O&M
<b>Roadway Projects</b>			
11TH CT UPGRADE - STATE ST TO BOSTON ST			\$000s
72ND AVE UPGRADE - BRAYTON DR TO LAKE OTIS PKWY	+20 Yrs.	500	
73RD AVE STRIP PAVING - PETERSBURG ST TO BASEL ST	+20 Yrs.	2,400	3
74TH AVE STRIP PAVING - PETERSBURG ST TO BASEL ST	+20 Yrs.	100	7
88TH AVE UPGRADE - LAKE OTIS PKWY TO SOUTH CIR	+20 Yrs.	100	7
ACADEMY DR/VANGUARD RD UPGRADE - BRAYTON DR TO ABBOTT RD	+20 Yrs.	2,200	2
ARCTIC BLVD SURFACE REHAB - 53RD AVE TO RASPBERRY RD	+20 Yrs.	400	
ARDSA ROAD AND DRAINAGE SYSTEM REHABILITATION	+20 Yrs.	2,300	(2)
ARLENE DR/PELICAN DR/PELICAN CIR/KINGFISHER DR AREA ROAD RECONSTRUCTION RID	+20 Yrs.	600	(9)
B ST RECONSTRUCTION RID - 40TH AVE TO TUDOR RD	+20 Yrs.	400	
INDEPENDENCE DR EXTENSION - COLONY LP TO O'MALLEY RD	+20 Yrs.	2,300	(4)
LAKE OTIS PKWY @ 20TH AVE CHANNELIZATION	+20 Yrs.	2,800	29
LAKE OTIS PKWY SURFACE REHAB - CAMPBELL CREEK TO DOWLING RD	+20 Yrs.	800	1
MEADOW ST SAFETY AND DRAINAGE UPGRADE - 72ND AVE TO LORE RD	+20 Yrs.	200	
NORTHWOOD DR PAVEMENT REHAB - RASPBERRY RD TO STRAWBERRY RD	+20 Yrs.	500	(5)
OLD SEWARD HWY SURFACE REHAB - 34TH AVE TO TUDOR RD	+20 Yrs.	400	
OLD SEWARD HWY SURFACE REHAB - INTERNATIONAL AIRPORT RD TO DOWLING RD	+20 Yrs.	200	
PAVEMENT REHAB MATCHING PROGRAM	+20 Yrs.	100	
PENLAND PKWY SURFACE REHAB/DRAINAGE - AIRPORT HEIGHTS RD TO BRAGAW ST	+20 Yrs.	4,000	(33)
RECYCLED ASPHALT PAVEMENT (RAP) AND CHIP SEAL UPGRADES	+20 Yrs.	400	
VAN BUREN ST/48TH AVE PHASE II CIRCULATION AND ACCESS IMPROVEMENTS	10 Yrs.	1,900	(18)
VICTOR RD UPGRADE (RTP) - DIMOND BLVD TO 100TH AVE	+20 Yrs.	3,900	6
<b>Traffic Department Projects</b>			
ANCHORAGE SIGNAL SYSTEM, SIGNAGE, AND SAFETY IMPROVEMENTS	+20 Yrs.	100	75
MOUNTAIN VIEW DR AND MCCARREY ST INTERSECTION SAFETY	+20 Yrs.	500	10
<b>Safety Projects</b>			
ARDSA STREET LIGHT IMPROVEMENTS	+20 Yrs.	200	4
BLUEBERRY ST/NORTHERN LIGHTS BLVD AREA PEDESTRIAN SAFETY	+20 Yrs.		(20)
KLATT RD AT C ST INTERSECTION SAFETY	+20 Yrs.	280	3
MOUNTAIN VIEW DR PEDESTRIAN SAFETY - FLOWER ST TO MCCARREY ST	+20 Yrs.	4,300	16
PEDESTRIAN SAFETY AND REHAB MATCHING PROGRAM	+20 Yrs.	180	
INTERSECTION SAFETY AND CONGESTION RELIEF MATCHING PROGRAM	+20 Yrs.	1,000	2
<b>Drainage Projects</b>			
FLOODING, GLACIATION, AND DRAINAGE MATCHING PROGRAM	+20 Yrs.	500	10
PETERSBURG ST STORM - 73RD AVE TO 74TH AVE	+20 Yrs.	1,000	(15)
		350	1
	Total	35,110	70

**Content ID:** 008586

**Type:** AR\_FundsApprop - Funds Approp Resolution

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED THIRTY-FIVE MILLION ONE HUNDRED TEN THOUSAND DOLLARS (\$35,110,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF ROAD, STORM

**Title:** DRAINAGE AND RELATED CAPITAL IMPROVEMENTS AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 6, 2010

**Author:** pruittns

**Initiating Dept:** Finance

**Keywords:** G.O. Bonds, ARDSA, Increase Tax Cap, Election, \$35,110,000

**Date Prepared:** 1/7/10 3:21 PM

**Director Name:** Lucinda Mahoney

**Assembly Meeting Date:** 1/19/10

**Public Hearing Date:** 2/2/10

<b>Workflow Name</b>	<b>Action Date</b>	<b>Action</b>	<b>User</b>	<b>Security Group</b>	<b>Content ID</b>
Clerk_Admin_SubWorkflow	1/8/10 11:52 AM	Exit	Joy Maglaqui	Public	008586
MuniManager_SubWorkflow	1/8/10 11:52 AM	Approve	Joy Maglaqui	Public	008586
OMB_SubWorkflow	1/8/10 11:42 AM	Approve	Cheryl Frasca	Public	008586
Finance_SubWorkflow	1/8/10 11:20 AM	Approve	Lucinda Mahoney	Public	008586
FundsAppropWorkflow	1/7/10 3:26 PM	Checkin	Nina Pruitt	Public	008586