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3 CLERK'S OFFICE
4 APPROVED
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6 Date: 2-2-10
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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

8 MUNICIPALITY OF ANCHORAGE
9 ORDINANCE No. 2010-6
10

11 AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED
12 VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF
13 NOT TO EXCEED NINE HUNDRED THIRTY-TWO THOUSAND DOLLARS
14 (\$932,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF
15 ANCHORAGE TO PAY THE COSTS OF PUBLIC TRANSPORTATION
16 IMPROVEMENTS AND RELATED CAPITAL IMPROVEMENTS, AND THE
17 QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO
18 PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AT THE
19 ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 6, 2010.
20

21 **WHEREAS**, the best interest of the citizens and property owners in the
22 Municipality of Anchorage, Alaska (the "Municipality") require the Municipality to
23 acquire and equip certain transit fleet and transportation systems and make
24 improvements to public transportation facilities, and
25

26 **WHEREAS**, the Assembly of the Municipality have identified necessary public
27 transportation improvement projects with Municipality; and
28

29 **WHEREAS**, in order to provide funds to perform the necessary acquisitions,
30 upgrades and improvements as further described in Section 1 of this ordinance
31 (the "Projects"), it is deemed necessary and advisable that the Municipality issue
32 and sell its general obligation bonds (the "Bonds"); now, therefore,
33

34 **THE ANCHORAGE ASSEMBLY ORDAINS:**
35

36 **Section 1. Purpose.** The Assembly hereby determines that the Municipality is
37 in need of bus stop improvements, replacement, upgrades and expansion of
38 transit, paratransit and support vehicles, management information system
39 upgrades, bus capital maintenance and operating system improvements, and
40 related capital improvements (the "Projects"). The Assembly of the Municipality
41 hereby determines that the best interest of the residents and property owners
42 within the Municipality require the Municipality to undertake the Projects at the
43 time and in the order and in the manner deemed most necessary and advisable by
44 the Municipality. The estimated cost of the Projects, including incidental costs and
45 costs related to issuing and selling the Bonds as provided in this ordinance, is
46 estimated to be \$932,000.
47

1 The Projects are described in more detail in the attachment to the Assembly
2 Memorandum accompanying this ordinance. The cost of all necessary planning,
3 acquisition of property for, site preparation, construction, installing and equipping
4 of the Projects, architectural, engineering, design, and other consulting services,
5 inspection and testing, administrative expenses, costs of issuance of the Bonds
6 (hereinafter defined) and other costs incurred in connection with the Projects shall
7 be deemed to be costs of the approved Projects. The approved Projects may be
8 completed with all necessary equipment and appurtenances.

9
10 The Municipality shall determine the application of available moneys as
11 between the various Projects so as to accomplish, as nearly as may be, all of the
12 Projects described or provided for in this section.

13
14 If the Municipality shall determine that it has become impractical to
15 accomplish any portion of the approved Projects by reason of changed conditions
16 or needs, incompatible development or costs substantially in excess of those
17 estimated, the Municipality shall not be required to accomplish such portions and
18 shall apply Bond proceeds as set forth in this section.

19
20 If the approved Projects have been completed in whole or in part, or their
21 completion duly provided for, or their completion found to be impractical, the
22 Municipality may apply Bond proceeds or any portion thereof to other Municipality
23 public transportation capital improvements at its sole discretion. Otherwise, the
24 Municipality shall apply such remaining proceeds solely to payment of principal or
25 interest on the Bonds, as provided in the Home Rule Charter. In the event that the
26 proceeds of sale of the Bonds, plus any other monies of the Municipality legally
27 available, are insufficient to accomplish the approved Projects, the Municipality
28 shall use the available funds for paying the cost of those portions of the approved
29 Projects deemed by the Municipality most necessary and in the best interest of the
30 Municipality. No Bond proceeds shall be used for any purpose other than a capital
31 improvement.

32
33 For the purpose of providing funds for the undertaking of the Projects,
34 which are hereby found to be a public purpose and in the public interest, the
35 Municipality hereby proposes to issue general obligation bonded indebtedness in
36 an amount not to exceed Nine Hundred Thirty-Two Thousand Dollars (\$932,000)
37 (the "Bonds").

38
39 **Section 2. Details of Bonds.** The Bonds shall be sold in such amounts and at
40 such time or times as deemed necessary and advisable by the Assembly and as
41 permitted by law and shall mature over a period of up to 20 years from date of
42 issue. The Bonds shall be issued in an aggregate principal amount of not to
43 exceed \$932,000. The Bonds shall bear interest to be fixed at the time of sale or
44 sales thereof. The exact form, terms, conditions, contents, security, options of
45 redemption, and such other matters relating to the issuance and sale of said
46 Bonds as are deemed necessary and advisable by the Assembly shall be as

1 hereinafter determined and/or delegated by ordinance and/or resolution of the
2 Assembly.

3
4 The full faith and credit of the Municipality is pledged for the payment of the
5 principal of and interest on the Bonds, and ad valorem taxes upon all taxable
6 property in the Municipality shall be levied without limitation as to rate or amount to
7 pay the principal and interest on the Bonds when due.

8
9 **Section 3. Ballot Proposition.** The Assembly hereby submits to the qualified
10 electors of the Municipality the proposition of whether or not the Municipality
11 should issue the Bonds for the purpose of financing the costs of the approved
12 Projects at the regular municipal election to be held on April 6, 2010.

13
14 The Clerk shall prepare the ballot proposition to be submitted to the voters
15 as provided by this ordinance and the Municipal Code and shall perform all
16 necessary steps in accordance with law to place this proposition before the voters
17 at the regular election. The proposition must receive an areawide majority vote of
18 those in the Municipality voting on the question to be approved. The proposition
19 shall be substantially in the following form:

20
21 PROPOSITION NO. _____

22
23 **AREAWIDE PUBLIC TRANSPORTATION CAPITAL IMPROVEMENT BONDS**

24
25 For the purpose of providing public transportation
26 upgrades, including bus stop improvements,
27 replacement. Upgrades and expansion of transit,
28 paratransit and support vehicles, management
29 information system upgrades, bus capital maintenance
30 and operating system improvements, and related
31 capital improvements as provided in Ordinance
32 No. AO 2010-____, shall Anchorage issue up to
33 \$932,000 in principal amount of general obligation
34 bonds and increase the municipal tax cap by an
35 amount not to exceed \$15,000 to pay annual
36 operations and maintenance costs? The proposed
37 capital improvements would be located within
38 Anchorage.
39

1 Voter approval of this bond proposition authorizes for
2 each \$100,000 of assessed taxable property value
3 (based on the estimated total 2010 areawide assessed
4 valuation in Anchorage) (i) an annual increase in taxes
5 of approximately \$0.23 to retire the proposed bonds,
6 and (ii) an annual increase in the Municipal Tax Cap
7 (Charter 14.03(b)(2)) of approximately \$0.05 to pay for
8 annual operations and maintenance costs related to
9 the proposed capital improvements.

10
11 The debt shall be paid from real and personal property
12 taxes levied and collected areawide within Anchorage.
13 Anchorage will also pledge its full faith and credit for
14 payment of the bonds.

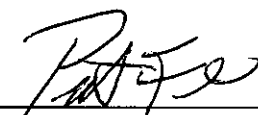
15
16 (No. AO 2010-___)
17

18 **Section 4.** Submission of Question to Voters. The proposition, both for paper
19 ballots and machine ballots, shall be printed on a ballot which may set forth other
20 general obligation bond propositions, and the following words shall be added as
21 appropriate and next to a square provided for marking the ballot or voting by a
22 machine:
23

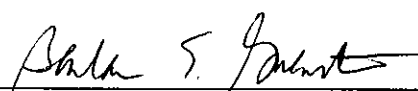
24 PROPOSITION NO. _____ BONDS, YES
25 BONDS, NO
26

27 **Section 5.** Effective Dates. Section 2 of this ordinance shall become effective
28 only if the proposition described in Section 3 is approved by a majority of the
29 qualified voters voting on the proposition at the regular election held on April 6,
30 2010. The remaining sections of this ordinance shall become effective upon
31 passage and approval.
32

33 PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this
34 2nd day of February, 2010.
35

36
37
38 By 
39 Chair of the Assembly

40 ATTEST:

41
42 
43 Municipal Clerk
44

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2010-6

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED NINE HUNDRED THIRTY-TWO THOUSAND DOLLARS (\$932,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF PUBLIC TRANSPORTATION IMPROVEMENTS AND RELATED CAPITAL IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 6, 2010.

Prepared by

K&L GATES LLP

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2010-6**

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MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2010-6

Title: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED NINE HUNDRED THIRTY-TWO THOUSAND DOLLARS (\$932,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF PUBLIC TRANSPORTATION IMPROVEMENTS AND RELATED CAPITAL IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 6, 2010.

Sponsor: Mayor
 Preparing Agency: Finance
 Others Impacted: Transit

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY10	FY11	FY12	FY13	FY14
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	15	15	15	15	15
4000 Debt Service	37	73	73	73	73
5000 Capital Outlay					
TOTAL DIRECT COSTS:	52	88	88	88	88

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 \$73,209 assumes bonds are sold as a package @ 4.75% interest, with bond repayments corresponding to the expected life of the assets financed over 5 to 20 years.

When projects are completed and fully functioning, increased annual operations and maintenance costs are estimated at \$15,000.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately \$73,209 equate to an estimated property tax increase of .0023 mills or \$0.23 per year on \$100,000 of assessed valuation for Transportation Improvements.

When fully operational, increased annual operations and maintenance costs are estimated at \$73,209 and equate to an estimated property tax increase of .0005 mills or \$0.05 per year on \$100,000 of assessed valuation for Public Transportation Improvements.

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 \$0.28 per \$100,000 of assessed valuation for Public Transportation Improvements.

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

343-6606



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 41-2010

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 NINE HUNDRED THIRTY-TWO
6 THOUSAND DOLLARS (\$932,000) OF GENERAL OBLIGATION BONDS
7 OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF
8 PUBLIC TRANSPORTATION IMPROVEMENTS AND RELATED CAPITAL
9 IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE
10 MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS
11 AND MAINTENANCE COSTS AT THE ELECTION TO BE HELD IN THE
12 MUNICIPALITY ON APRIL 6, 2010.

13
14 The attached ordinance will place a general obligation bond proposition for Public
15 Transportation Improvements on the ballot for the regular Municipal election to be held
16 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 Public Transportation Improvement bond will implement the priorities
22 established in the recently approved 2010-2015 Capital Improvement Program. The
23 bond focuses on public transportation capital improvements, including vehicle
24 purchases, transit facilities improvements and capital maintenance of the fleet. Please
25 see the attached Project List.

26
27 THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE
28 PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF
29 ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED
30 NINE HUNDRED THIRTY-TWO THOUSAND DOLLARS (\$932,000) OF GENERAL
31 OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE
32 COSTS OF PUBLIC TRANSPORTATION IMPROVEMENTS AND RELATED CAPITAL
33 IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX
34 CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE
35 COSTS AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 6, 2010.

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

2010 PUBLIC TRANSPORTATION BOND

Project Name	Estimated Life	2010 Bond	O&M
Transit Improvements/Facilities			
		\$000s	
BUS STOP IMPROVEMENTS	+20 Yrs.	303	15
IMPROVEMENTS TO EXISTING FLEET - FARE BOXES, LOCATOR SYSTEMS	7-10 Yrs.	30	
ITS/AUTOMATED OPERATING SYSTEMS	5-7 Yrs.	60	
MANAGEMENT INFORMATION SYSTEM	5-7 Yrs.	10	
Transit Vehicles and Upgrades			
CAPITAL MAINTENANCE/VEHICLE OVERHAUL-ENGINES, TRANSMISSIONS	7-10 Yrs.	129	
PARATRANSIT/TRANSIT VEHICLES	5-7 Yrs.	180	
MAINTENANCE SUPPORT VEHICLES	5-7 Yrs.	60	
TRANSIT FLEET EXPANSION & REPLACEMENT OF EXISTING VEHICLES	5-7 Yrs.	160	
	Total	932	15

TRANSPORTATION BONDS ARE GENERALLY MATCHED BY FEDERAL FUNDS 4x1

Content ID: 008590

Type: Ordinance - AO

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED NINE HUNDRED THIRTY-TWO THOUSAND DOLLARS (\$932,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF

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

Author: maglaquijp

Initiating Dept: Finance

Keywords: G.O. Bonds, Public Transportation, Capital Improvements

Date Prepared: 1/7/10 4:12 PM

Director Name: Lucinda Mahoney

Assembly Meeting Date: 1/19/10

Public Hearing Date: 2/2/10

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	1/8/10 1:54 PM	Exit	Joy Maglaqui	Public	008590
MuniManager_SubWorkflow	1/8/10 1:54 PM	Approve	Joy Maglaqui	Public	008590
MuniManager_SubWorkflow	1/8/10 1:54 PM	Checkin	Joy Maglaqui	Public	008590
Legal_SubWorkflow	1/8/10 12:17 PM	Approve	Rhonda Westover	Public	008590
OMB_SubWorkflow	1/8/10 12:09 PM	Approve	Cheryl Frasca	Public	008590
Finance_SubWorkflow	1/8/10 11:32 AM	Approve	Lucinda Mahoney	Public	008590
AllOrdinanceWorkflow	1/7/10 4:15 PM	Checkin	Nina Pruitt	Public	008590