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CLERK'S OFFICE
APPROVED

Date: 2-1-11

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 18, 2011

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2011-10**

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED THIRTY MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS (\$30,850,000) 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 5, 2011.

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

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Purpose. The Assembly hereby determines that the roads and storm drainage within the Anchorage Roads and Drainage Service Area are in need of capital acquisitions, construction, renovation, upgrades and improvements (the "Projects"). The Assembly of the Municipality hereby determines that the best interest of the residents and property owners within the Anchorage Roads and Drainage Service Area require the Municipality to undertake the Projects at the

1 time and in the order and in the manner deemed most necessary and advisable by
2 the Municipality. The estimated cost of the Projects, including incidental costs and
3 costs related to issuing and selling the Bonds as provided in this ordinance, is
4 estimated to be \$30,850,000.

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

14
15 The Municipality shall determine the application of available moneys as
16 between the various Projects so as to accomplish, as nearly as may be, all of the
17 Projects described or provided for in this section.

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

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

37
38 For the purpose of providing funds for the undertaking of the Projects,
39 which are hereby found to be a public purpose and in the public interest, the
40 Municipality hereby proposes to issue general obligation bonded indebtedness in
41 an amount not to exceed Thirty Million Eight Hundred Fifty Thousand Dollars
42 (\$30,850,000) (the "Bonds").

43
44 **Section 2. Details of Bonds.** The Bonds shall be sold in such amounts and at
45 such time or times as deemed necessary and advisable by the Assembly and as
46 permitted by law and shall mature over a period of up to 20 years from date of

1 issue. The Bonds shall be issued in an aggregate principal amount of not to
2 exceed \$30,850,000. The Bonds shall bear interest to be fixed at the time of sale
3 or sales thereof. The exact form, terms, conditions, contents, security, options of
4 redemption, and such other matters relating to the issuance and sale of said
5 Bonds as are deemed necessary and advisable by the Assembly shall be as
6 hereinafter determined and/or delegated by ordinance and/or resolution of the
7 Assembly.

8
9 The full faith and credit of the Municipality is pledged for the payment of the
10 principal of and interest on the Bonds, and ad valorem taxes upon all taxable
11 property in the Municipality shall be levied without limitation as to rate or amount to
12 pay the principal and interest on the Bonds when due. The principal of and
13 interest on the Bonds are to be paid first from ad valorem taxes levied and
14 collected within the Anchorage Roads and Drainage Service Area.

15
16 **Section 3. Ballot Proposition.** The Assembly hereby submits to the qualified
17 electors of the Municipality the proposition of whether or not the Municipality
18 should issue the Bonds for the purpose of financing the costs of the approved
19 Projects at the regular municipal election to be held on April 5, 2011.

20
21 The Clerk shall prepare the ballot proposition to be submitted to the voters
22 as provided by this ordinance and the Municipal Code and shall perform all
23 necessary steps in accordance with law to place this proposition before the voters
24 at the regular election. The proposition must receive a majority vote of those in
25 the Municipality voting, both in the Anchorage Roads and Drainage Service Area
26 and areawide, on the question to be approved. The proposition shall be
27 substantially in the following form:

28
29 PROPOSITION NO. _____

30
31 ANCHORAGE ROADS AND DRAINAGE SERVICE
32 AREA ROAD AND STORM DRAINAGE BONDS

33
34 For the purpose of providing roads and storm drainage
35 capital acquisition, construction, renovation, upgrades
36 and related capital improvements as provided in
37 Ordinance No. AO 2011-__, shall Anchorage borrow
38 money and issue up to \$30,850,000 in principal amount
39 of general obligation bonds and increase the municipal
40 tax cap by an annual amount not to exceed \$522,000
41 to pay the associated annual operations and
42 maintenance costs? The proposed capital
43 improvements would be located within the Anchorage
44 Roads and Drainage Service Area.
45

1 Voter approval of this bond proposition authorizes for
2 each \$100,000 of assessed taxable property value
3 (based on the estimated 2011 assessed valuation in
4 the Anchorage Roads and Drainage Service Area):
5 (i) an annual increase in taxes of approximately \$10.00
6 to retire the proposed bonds, and (ii) an annual
7 increase necessary to fund the proposed increase in
8 the municipal tax cap (Charter 14.03(b)(2)) of
9 approximately \$2.11 to pay for annual operations and
10 maintenance costs related to the proposed capital
11 improvements.

12
13 The debt shall be paid from real and personal property
14 taxes levied and collected within the Anchorage Roads
15 and Drainage Service Area. Anchorage will also
16 pledge its full faith and credit for payment of the debt.
17

18 (No. AO 2011-___)

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

24 PROPOSITION NO. _____

BONDS, YES

25 BONDS, NO


26 **Section 5. Effective Dates.** Section 2 of this ordinance shall become effective
27 only if the proposition described in Section 3 is approved by a majority of the
28 qualified voters voting on the proposition at the regular election held on April 5,
29 2011. The remaining sections of this ordinance shall become effective upon
30 passage and approval.

31
32 PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this
33 1st day of February, 2011.

34
35
36 By 

Chair of the Assembly

37
38 ATTEST:

39 
40
41 Municipal Clerk
42

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2011-10

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED THIRTY MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS (\$30,850,000) 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 5, 2011.

Prepared by

K&L GATES LLP

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2011-10**

TABLE OF CONTENTS*

	Page
Section 1. Purpose.....	1
Section 2. Details of Bonds	2
Section 3. Ballot Proposition	3
Section 4. Submission of Question to Voters	4
Section 5. Effective Dates	4

* 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: 2011-10 Title: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED THIRTY MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS (\$30,850,000) 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 5, 2011.

Sponsor: Mayor
 Preparing Agency: Finance
 Others Impacted: Anchorage Roads and Drainage Service Area (ARDSA)

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY11	FY12	FY13	FY14	FY15
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services		522	522	522	522
4000 Debt Service		2,475	2,475	2,475	2,475
5000 Capital Outlay					
TOTAL DIRECT COSTS:		2,997	2,997	2,997	2,997
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 \$2,475,484 assumes bonds are sold as a package @ 5.0% 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 \$522,000.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately \$2,475,484 equate to an estimated property tax increase of 0.100 mills or \$10.00 per year on \$100,000 of assessed valuation in the ARDSA.

When fully operational, increased annual operations and maintenance costs are estimated at \$522,000 and equate to an estimated property tax increase of 0.0211 mills or \$2.11 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 \$12.11 per \$100,000 of assessed valuation in the ARDSA.

Prepared by: Richard Whitehead

Telephone: 343-6681

SEE 2011 ARDSA Prop.doc



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 53-2011

Meeting Date: January 18, 2011

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 MILLION EIGHT
6 HUNDRED FIFTY THOUSAND DOLLARS (\$30,850,000) 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
10 IN 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 5, 2011.
14

15 This ordinance places a general obligation bond proposition for the Anchorage Roads
16 and Drainage Service Area (ARDSA) on the ballot for the regular Municipal election to
17 be held on April 5, 2011. The ARDSA road bond implements the priorities established
18 in the recently approved 2011-2016 Capital Improvement Program. The bond provides
19 funds for reduced traffic congestion, improves public safety, promotes economic
20 development, and addresses rehabilitation needs on deteriorating collector and arterial
21 streets. See 2011 Bond Project List, attached as **Exhibit A**.
22

23 **THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE**
24 **PROVIDING FOR SUBMISSION TO QUALIFIED VOTERS OF ANCHORAGE,**
25 **ALASKA, THE QUESTION OF ISSUANCE OF NTE \$30,850,000 OF GENERAL**
26 **OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE**
27 **COSTS OF ROAD, STORM DRAINAGE AND RELATED CAPITAL IMPROVEMENTS**
28 **AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION**
29 **TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE**
30 **ANCHORAGE ROADS AND DRAINAGE SERVICE AREA AT THE ELECTION TO BE**
31 **HELD IN THE MUNICIPALITY ON APRIL 5, 2011.**
32

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

Exhibit A

Anchorage Roads and Drainage Service Area 2011 Bond Project List (000)'s

Project Name	Bond Amount	Total O&M
73RD AVE/74TH AVE WATERLINE EXTENSION	1,300	-
9TH AVE RECONSTRUCTION PHASE II - CORDOVA ST TO LATOUCHE ST	7,300	107
ADA IMPROVEMENTS	100	8
ANCHORAGE SIGNAL SYSTEM, SIGNAGE, AND SAFETY IMPROVEMENTS	650	15
ARDSA ROAD AND DRAINAGE SYSTEM REHABILITATION	600	13
ARDSA STREET LIGHT IMPROVEMENTS	500	(15)
ARLENE DR/PELICAN DR/PELICAN CIR/KINGFISHER DR AREA ROAD RECONSTRUCTION RID	2,000	46
DOWLING RD/SPRUCE ST AREA SNOW DISPOSAL SITE	1,950	66
FLOODING, GLACIATION, AND DRAINAGE MATCHING PROGRAM	1,000	(15)
INTERSECTION SAFETY AND CONGESTION RELIEF MATCHING PROGRAM	1,000	27
KLOEP STATION SNOW DISPOSAL SITE	3,500	116
MAJOR OUTFALL DISCONNECT	250	2
MUNICIPAL SEDIMENTATION BASIN AND OGS RETROFITS	50	-
PAVEMENT REHAB MATCHING PROGRAM	3,000	(4)
PEDESTRIAN SAFETY AND REHAB MATCHING PROGRAM	250	4
PENLAND PKWY SURFACE REHAB/DRAINAGE - AIRPORT HEIGHTS RD TO BRAGAW ST	400	7
PINE ST/4TH AVE AREA STORM RECONSTRUCTION PHASE II - DEBARR RD TO BONIFACE PKWY	4,000	43
RASPBERRY RD UPGRADE - ARCTIC BLVD TO C ST	1,000	48
RECYCLED ASPHALT PAVEMENT (RAP) AND CHIP SEAL UPGRADES	1,000	(10)
SCHOOL ZONE SAFETY	500	14
TRAFFIC CALMING AND SAFETY IMPROVEMENTS	500	50
Total	\$ 30,850	\$ 522

Estimated Debt Service Cost
 Annual Cost - \$2,475,484
 Annual Cost per \$100k Assessed Value - \$10.00

Content ID: 009773**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 \$30,850,000 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 5, 2011

Author: maglaquijp**Initiating Dept:** Finance**Keywords:** ARDSA, Bonds, April 5, 2011, Election, GO Bonds**Date Prepared:** 1/6/11 11:22 AM**Director Name:** Lucinda Mahoney**Assembly Meeting Date:** 1/18/11**Public Hearing Date:** 2/1/11

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	1/7/11 11:53 AM	Exit	Joy Maglaqui	Public	009773
MuniManager_SubWorkflow	1/7/11 11:53 AM	Approve	Joy Maglaqui	Public	009773
MuniManager_SubWorkflow	1/7/11 11:53 AM	Checkin	Joy Maglaqui	Public	009773
Legal_SubWorkflow	1/6/11 5:47 PM	Approve	Rhonda Westover	Public	009773
OMB_SubWorkflow	1/6/11 5:23 PM	Approve	Cheryl Frasca	Public	009773
Finance_SubWorkflow	1/6/11 3:39 PM	Approve	David Ryan	Public	009773
AllOrdinanceWorkflow	1/6/11 11:39 AM	Checkin	Nina Pruitt	Public	009773