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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 18, 2011

CLERK'S OFFICE
APPROVED

Date: 2-1-11

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2011-12**

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED NINE HUNDRED FORTY-ONE THOUSAND DOLLARS (\$941,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE PUBLIC SAFETY AND TRANSIT 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 5, 2011.

WHEREAS, the best interest of the citizens and property owners in the Municipality of Anchorage, Alaska (the "Municipality") require the Municipality to replace ambulances, support vehicles, bus stop improvements, transit fleet expansions and replacement and technology upgrades, and

WHEREAS, the Assembly of the Municipality have identified necessary areawide public safety and transit improvement projects with the Municipality; and

WHEREAS, in order to provide funds to perform the necessary acquisitions, 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 public safety and transit improvements are needed throughout the Municipality (the "Projects"). The Assembly of the Municipality hereby determines that the best interest of the residents and property owners within the Municipality require the Municipality to undertake the Projects at the time and in the order and in the manner deemed most necessary and advisable by the Municipality. The estimated cost of the Projects, including incidental costs and costs related to issuing and selling the Bonds as provided in this ordinance, is estimated to be \$941,000.

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 for the
11 Projects so as to accomplish, as nearly as may be, the Projects described or
12 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 its completion found to be impractical, the
22 Municipality may apply Bond proceeds or any portion thereof to other Municipality
23 public safety and transit 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 Forty-one Thousand Dollars (\$941,000)
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 \$941,000. 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 5, 2011.

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 SAFETY AND TRANSIT CAPITAL IMPROVEMENT BONDS**

24
25 For the purpose of providing public safety and transit
26 upgrades, replace ambulances, support vehicles, bus
27 stop improvements, transit fleet expansions and
28 replacement and technology upgrades and related
29 capital improvements as provided in Ordinance
30 No. AO 2011-____, shall Anchorage issue up to
31 \$941,000 in principal amount of general obligation
32 bonds and increase the municipal tax cap by an
33 amount not to exceed \$11,000 to pay annual
34 operations and maintenance costs? The proposed
35 capital improvements would be located within
36 Anchorage.
37

1 Voter approval of this bond proposition authorizes for
2 each \$100,000 of assessed taxable property value
3 (based on the estimated total 2011 areawide assessed
4 valuation in Anchorage) (i) an annual increase in taxes
5 of approximately \$.24 to retire the proposed bonds, and
6 (ii) an annual increase in the Municipal Tax Cap
7 (Charter 14.03(b)(2)) of approximately \$.03 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 2011-___)
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

BONDS, NO

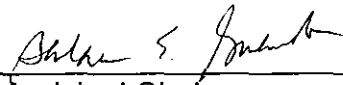
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26
27 **Section 5. Effective Dates.** Section 2 of this ordinance shall become effective
28 only if the proposition described in Section 3 is approved by a majority of the
29 qualified voters voting on the proposition at the regular election held on April 5,
30 2011. 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 1st day of February, 2011.

35
36
37 By _____
38


Chair of the Assembly

39 ATTEST:

40 
41 _____
42 Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2011-12

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED NINE HUNDRED FORTY-ONE THOUSAND DOLLARS (\$941,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE PUBLIC SAFETY AND TRANSIT 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 5, 2011.

Prepared by

K&L GATES LLP

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2011-12**

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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: 2011-12 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 FORTY-ONE THOUSAND DOLLARS (\$941,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE PUBLIC SAFETY AND TRANSIT 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 5, 2011.

Sponsor: Mayor
 Preparing Agency: Finance
 Others Impacted: Public Safety and Transit

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY11	FY12	FY13	FY14	FY15
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services		11	11	11	11
4000 Debt Service		76	76	76	76
5000 Capital Outlay					
TOTAL DIRECT COSTS:		87	87	87	87

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 \$75,508 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 \$11,000.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately \$75,508 equate to an estimated property tax increase of 0.0024 mills or \$.24 per year on \$100,000 of assessed valuation in the Public Safety & Transit: Areawide Service Area.

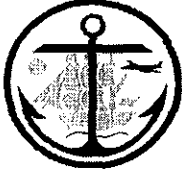
When fully operational, increased annual operations and maintenance costs are estimated at \$11,000 and equate to an estimated property tax increase of 0.0003 mills or \$.03 per year on \$100,000 of assessed valuation in the Public Safety & Transit: Areawide Service Area.

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 \$.27 per \$100,000 of assessed valuation in the Public Safety & Transit: Areawide Service Area.

Prepared by: Richard Whitehead

Telephone: 343-6681

SEE 2011 Public Safety & Transit Prop.doc



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 55-2011

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 NINE HUNDRED FORTY-ONE
6 THOUSAND DOLLARS (\$941,000) OF GENERAL OBLIGATION
7 BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE
8 COSTS OF AREAWIDE PUBLIC SAFETY AND TRANSIT
9 IMPROVEMENTS AND RELATED CAPITAL IMPROVEMENTS, AND
10 THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP
11 LIMITATION TO PAY ASSOCIATED OPERATIONS AND
12 MAINTENANCE COSTS AT THE ELECTION TO BE HELD IN THE
13 MUNICIPALITY ON APRIL 5, 2011.
14

15 This ordinance places a general obligation bond proposition for Areawide Public Safety
16 and Transit Improvements on the ballot for the regular Municipal election to be held on
17 April 5, 2011. The 2011 Public Safety and Transit Improvement bond implements the
18 priorities established in the recently approved 2011-2016 Capital Improvement
19 Program. The bond provides funds for public safety and transit capital improvements,
20 including vehicle purchases, transit facilities improvements and capital maintenance of
21 the fleet. 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 NOT TO EXCEED \$941,000 OF G.O.**
26 **BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY COSTS OF AREAWIDE**
27 **PUBLIC SAFETY & TRANSIT IMPROVEMENTS AND RELATED CAPITAL**
28 **IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL**
29 **TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS & MAINTENANCE**
30 **COSTS AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 5, 2011.**
31

32 Prepared by: Lucinda Mahoney, CFO
33 Concurrence: Cheryl Frasca, Director, 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

Exhibit A

Areawide Public Safety and Public Transportation 2011 Bond Project List (000)'s

Project Name	Bond Amount	Total O&M
BUS STOP IMPROVEMENTS	100	11
CAPITAL MAINTENANCE/VEHICLE OVERHAUL	43	-
IMPROVEMENTS TO EXISTING FLEET	50	-
ITS/AUTOMATED OPERATING SYSTEMS	20	-
MANAGEMENT INFORMATION SYSTEM	10	-
MICU AMBULANCE REPLACEMENT PROGRAM	520	-
SUPPORT VEHICLES	20	-
TRANSIT FLEET EXPANSION/REPLACEMENT	178	-
Total	\$ 941	\$ 11

Estimated Debt Service Cost
Annual Cost - \$75,508
Annual Cost per \$100k Assessed Value - \$.24

Content ID: 009775**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 FORTY-ONE THOUSAND DOLLARS (\$941,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF

Title: ANCHORAGE TO PAY THE COSTS OF AREAWIDE PUBLIC SAFETY AND TRANSIT 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 5, 2011

Author: maglaquijp**Initiating Dept:** Finance**Keywords:** \$941,000, GO Bonds, Public Safety, Transit, April 5, Election**Date Prepared:** 1/6/11 1:37 PM**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 11:59 AM	Exit	Joy Maglaqui	Public	009775
MuniManager_SubWorkflow	1/7/11 11:59 AM	Approve	Joy Maglaqui	Public	009775
MuniManager_SubWorkflow	1/7/11 11:58 AM	Checkin	Joy Maglaqui	Public	009775
Legal_SubWorkflow	1/6/11 5:53 PM	Approve	Rhonda Westover	Public	009775
OMB_SubWorkflow	1/6/11 5:22 PM	Approve	Cheryl Frasca	Public	009775
Finance_SubWorkflow	1/6/11 3:27 PM	Approve	David Ryan	Public	009775
AllOrdinanceWorkflow	1/6/11 1:40 PM	Checkin	Nina Pruitt	Public	009775