

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

Ad 2011-14(S)

MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2011-14

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF PUBLIC SAFETY FACILITIES (POLICE) 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 METROPOLITAN POLICE 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 Metropolitan Police Service Area serving the Municipality of Anchorage, Alaska (the "Municipality") require the Municipality to acquire, improve, expand and equip a dispatch/computer room at the Anchorage Police Department Headquarters (the "Project"); and

WHEREAS, in order to provide financing for the acquisition, improvement, expansion and equipping of such Project, it is deemed necessary and advisable that the Municipality issue and sell its general obligation bonds in the principal amount of not to exceed \$250,000 (the "Bonds"); now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Purpose. The Assembly of the Municipality hereby determines that the best interest of the residents and property owners within the Anchorage Metropolitan Police Service Area require the Municipality to acquire, improve, expand and equip the Project at the time and in the order and in the manner deemed most necessary and advisable by the Municipality. The estimated cost of the Project, including incidental costs and costs related to issuing and selling the Bonds as provided in this ordinance, is estimated to be \$250,000.

The Project is described in more detail in the attachment to the Assembly Memorandum accompanying this ordinance. The cost of all necessary consulting services, inspection and testing, administrative expenses, and costs of issuance of the Bonds (hereinafter defined) and other costs incurred in connection with the

1 acquisition, improvement, expansion, and equipping of the Project shall be
2 deemed to be costs of the approved Project.

3
4 The Assembly shall determine the application of available moneys for the
5 Project so as to acquire, improve, expand and equip, as nearly as may be, all of
6 the Project described or provided for in this section.

7
8 If the Assembly shall determine that it has become impractical to acquire,
9 improve, expand and equip any portion of the approved Project by reason of
10 changed conditions or needs, or costs substantially in excess of those estimated,
11 the Assembly shall not be required to accomplish such portions and shall apply
12 Bond proceeds as set forth in this section.

13
14 If the Project has been acquired, improved, expanded and equipped and
15 duly provided for, or found to be impractical, the Assembly may apply Bond
16 proceeds or any portion thereof to other Municipality police service capital
17 improvements at its sole discretion. Otherwise, the Municipality shall apply such
18 remaining proceeds solely to payment of principal or interest on the Bonds, as
19 provided in the Home Rule Charter. In the event that the proceeds of sale of the
20 Bonds, plus any other monies of the Municipality legally available, are insufficient
21 to acquire, improve, expand and equip the approved Project, the Assembly shall
22 use the available funds for paying the cost of those portions of the approved
23 Project deemed by the Municipality most necessary and in the best interest of the
24 Municipality. No Bond proceeds shall be used for any purpose other than a capital
25 improvement.

26
27 For the purpose of providing funds for the acquisition, improvement,
28 expansion and equipping of the Project, which are hereby found to be a public
29 purpose and in the public interest, the Municipality hereby proposes to issue
30 general obligation bonded indebtedness in an amount not to exceed Two Hundred
31 Fifty Thousand Dollars (\$250,000) (the "Bonds").

32
33 **Section 2. Details of Bonds.** The Bonds shall be sold in such amounts and at
34 such time or times as deemed necessary and advisable by the Assembly and as
35 permitted by law and shall mature over a period of 20 years from date of issue.
36 The Bonds shall be issued in an aggregate principal amount of not to exceed
37 \$250,000. The Bonds shall bear interest to be fixed at the time of sale or sales
38 thereof. The exact form, terms, conditions, contents, security, options of
39 redemption, and such other matters relating to the issuance and sale of said
40 Bonds as are deemed necessary and advisable by the Assembly shall be as
41 hereinafter determined and/or delegated by ordinance and/or resolution of the
42 Assembly.

43
44 The full faith and credit of the Municipality is pledged for the payment of the
45 principal of and interest on the Bonds, and ad valorem taxes upon all taxable
46 property in the Municipality shall be levied without limitation as to rate or amount to

1 pay the principal and interest on the Bonds when due. The principal of and
2 interest on the Bonds are to be paid first from ad valorem taxes levied and
3 collected within the Anchorage Metropolitan Police Service Area.
4

5 **Section 3. Ballot Proposition.** The Assembly hereby submits to the qualified
6 electors of the Municipality the proposition of whether or not the Municipality
7 should issue the Bonds for the purpose of financing the costs of the approved
8 Project at the regular municipal election to be held on April 5, 2011.
9

10 The Clerk shall prepare the ballot proposition to be submitted to the voters
11 as provided by this ordinance and the Municipal Code and shall perform all
12 necessary steps in accordance with law to place this proposition before the voters
13 at the regular election. The proposition must receive a majority vote of those in
14 the Municipality voting, both in the Anchorage Metropolitan Police Service Area
15 and areawide, on the question to be approved. The proposition shall be
16 substantially in the following form:
17

18 PROPOSITION NO. _____
19

20 **ANCHORAGE METROPOLITAN POLICE SERVICE AREA FACILITIES BONDS**
21

22 For the purpose of providing improvements to public
23 safety facilities and related police protection capital
24 improvements in the Anchorage Metropolitan Police
25 Service Area as provided in Ordinance
26 No. AO 2011-___, shall Anchorage borrow money and
27 issue up to \$250,000 in principal amount of general
28 obligation bonds and increase the municipal tax cap by
29 an annual amount not to exceed \$2,000 to pay the
30 associated annual operations and maintenance costs?
31

32 Voter approval of this bond proposition authorizes for
33 each \$100,000 of assessed taxable property value
34 (based on the estimated 2011 assessed valuation in
35 the Anchorage Metropolitan Police Service Area): (i) an
36 annual increase in taxes of approximately \$.06 to retire
37 the proposed bonds, and (ii) an annual increase in the
38 Municipal Tax Cap (Charter 14.03(b)(2)) of
39 approximately \$.01 to pay for annual operations and
40 maintenance costs related to the proposed capital
41 improvements.
42

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

6 (No. AO 2011-____)
7

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

13 PROPOSITION NO. _____ BONDS, YES
14 BONDS, NO

15 **Section 5.** Effective Dates. Section 2 of this ordinance shall become effective
16 only if the proposition described in Section 3 is approved by a majority of the
17 qualified voters voting on the proposition at the regular election held on April 5,
18 2011. The remaining sections of this ordinance shall become effective upon
19 passage and approval.
20

21 PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this
22 ___ day of _____, 2011.
23

24
25 By _____
26 Chair of the Assembly

27 ATTEST:
28

29 _____
30 Municipal Clerk
31

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2011-14

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF PUBLIC SAFETY FACILITIES (POLICE) 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 METROPOLITAN POLICE 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. 2011-14**

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MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2011-14 Title: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF PUBLIC SAFETY FACILITIES (POLICE) 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 METROPOLITAN POLICE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 5, 2011.

Sponsor: Mayor
 Preparing Agency: Finance
 Others Impacted: Anchorage Police Department

CHANGES IN EXPENDITURES AND REVENUES:		(Thousands of Dollars)				
	FY11	FY12	FY13	FY14	FY15	
Operating Expenditures						
1000 Personal Services						
2000 Supplies						
3000 Other Services		2	2	2	2	
4000 Debt Service		20	20	20	20	
5000 Capital Outlay						
TOTAL DIRECT COSTS:		22	22	22	22	
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 \$20,061 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 \$2,000.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately \$20,061 equate to an estimated property tax increase of 0.0006 mills or \$.06 per year on \$100,000 of assessed valuation in the Anchorage Metropolitan Police Service Area.

When fully operational, increased annual operations and maintenance costs are estimated at \$2,000 and equate to an estimated property tax increase of 0.0001 mills or \$.01 per year on \$100,000 of assessed valuation in the Anchorage Metropolitan Police 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 \$.07 per \$100,000 of assessed valuation in the Anchorage Metropolitan Police Service Area.

Prepared by: Richard Whitehead

Telephone: 343-6681



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 57-2011

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 TWO HUNDRED FIFTY
6 THOUSAND DOLLARS (\$250,000) OF GENERAL OBLIGATION
7 BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE
8 COSTS OF PUBLIC SAFETY FACILITIES (POLICE) 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 METROPOLITAN POLICE 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
16 Metropolitan Police Service Area on the ballot for the regular Municipal election to be
17 held on April 5, 2011. The Anchorage Metropolitan Police Service Area bond
18 implements the priorities established in the recently approved 2011-2016 Capital
19 Improvement Program. The bond provides funds for the purpose of paying the costs of
20 facility renovations and expansion and related capital improvements in the Anchorage
21 Metropolitan Police Service Area. 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 \$250,000 OF G.O.**
26 **BONDS OF THE MOA TO PAY COSTS OF PUBLIC SAFETY FACILITIES (POLICE)**
27 **& RELATED CAPITAL IMPROVEMENTS AND QUESTION OF AN INCREASE IN**
28 **THE MUNICIPAL TAX CAP TO PAY ASSOCIATED O&M COSTS IN THE**
29 **ANCHORAGE METROPOLITAN POLICE SERVICE AREA AT THE ELECTION TO**
30 **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
37

Exhibit A

Anchorage Police Service Area
2011 Bond Project List
(000)'s

<u>Project Name</u>	<u>Bond Amount</u>	<u>Total O&M</u>
APD HEADQUARTERS DISPATCH/COMPUTER ROOM TEMPERATURE STABILIZER	250	2
Total	\$ 250	\$ 2

Estimated Debt Service Cost

Annual Cost - \$20,081

Annual Cost per \$100k Assessed Value - \$.06

Content ID: 009777

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 TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE

Title: TO PAY THE COSTS OF PUBLIC SAFETY FACILITIES (POLICE) 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 METROPOLITAN POLICE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 5, 2011

Author: maglaquijp

Initiating Dept: Finance

Keywords: \$250,000, Police, Police Service Area, Tax Cap, GO Bonds, Election, April 5

Date Prepared: 1/6/11 2:51 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 12:03 PM	Exit	Joy Maglaqui	Public	009777
MuniManager_SubWorkflow	1/7/11 12:03 PM	Approve	Joy Maglaqui	Public	009777
MuniManager_SubWorkflow	1/7/11 12:03 PM	Checkin	Joy Maglaqui	Public	009777
Legal_SubWorkflow	1/6/11 6:03 PM	Approve	Rhonda Westover	Public	009777
OMB_SubWorkflow	1/6/11 5:23 PM	Approve	Cheryl Frasca	Public	009777
Finance_SubWorkflow	1/6/11 5:18 PM	Approve	David Ryan	Public	009777
AllOrdinanceWorkflow	1/6/11 2:55 PM	Checkin	Nina Pruitt	Public	009777