

Municipality Clerk's Office

Approved

Date: **January 9, 2018**

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2017-171

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED ONE MILLION FOUR HUNDRED SEVEN THOUSAND DOLLARS (\$1,407,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE FACILITIES CAPITAL IMPROVEMENT PROJECTS AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 3, 2018.

Prepared by

K&L GATES LLP

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2017-171**

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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.

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: December 19, 2017

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2017-171**

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED ONE MILLION FOUR HUNDRED SEVEN THOUSAND DOLLARS (\$1,407,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE FACILITIES CAPITAL IMPROVEMENT PROJECTS AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 3, 2018.

WHEREAS, the best interest of the citizens and property owners in the Municipality of Anchorage, Alaska (the "Municipality") require the Municipality to make area-wide public facilities capital improvements, including roof replacements (the "Projects"); and

WHEREAS, in order to provide financing for the Projects, it is deemed necessary and advisable that the Municipality issue and sell its general obligation bonds in the principal amount of not to exceed \$1,407,000 (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 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 \$1,407,000.

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

1 The Municipality shall determine the application of available moneys as for
2 the Projects so as to accomplish, as nearly as may be, the Projects described or
3 provided for in this section.
4

5 If the Municipality shall determine that it has become impractical to
6 accomplish any portion of the approved Projects by reason of changed conditions
7 or needs, incompatible development or costs substantially in excess of those
8 estimated, the Municipality shall not be required to accomplish such portions and
9 shall apply Bond proceeds as set forth in this section.
10

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

24 For the purpose of providing funds for the undertaking of the Projects, which
25 are hereby found to be a public purpose and in the public interest, the Municipality
26 hereby proposes to issue general obligation bonded indebtedness in an amount not
27 to exceed One Million Four Hundred Seven Thousand Dollars (\$1,407,000) (the
28 "Bonds").
29

30 **Section 2. Details of Bonds.** The Bonds shall be sold in such amounts and at
31 such time or times as deemed necessary and advisable by the Assembly and as
32 permitted by law and shall mature over a period of up to 20 years from date of issue.
33 The Bonds shall be issued in an aggregate principal amount of not to exceed
34 \$1,407,000. The Bonds shall bear interest to be fixed at the time of sale or sales
35 thereof. The exact form, terms, conditions, contents, security, options of
36 redemption, and such other matters relating to the issuance and sale of said Bonds
37 as are deemed necessary and advisable by the Assembly shall be as hereinafter
38 determined and/or delegated by ordinance and/or resolution of the Assembly.
39

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

1 **Section 3. Ballot Proposition.** The Assembly hereby submits to the qualified
2 voters of the Municipality the proposition of whether or not the Municipality should
3 issue the Bonds for the purpose of financing the costs of the approved Projects at
4 the regular municipal election to be held on April 3, 2018.

5
6 The Clerk shall prepare the ballot proposition to be submitted to the voters
7 as provided by this ordinance and the Municipal Code and shall perform all
8 necessary steps in accordance with law to place this proposition before the voters
9 at the regular election. The proposition must receive an area-wide majority vote of
10 those in the Municipality voting on the question to be approved. The proposition
11 shall be substantially in the following form:

12
13 PROPOSITION NO. _____

14
15 **AREAWIDE FACILITIES CAPITAL IMPROVEMENT PROJECT BONDS**

16
17 For the purpose of providing areawide facilities capital
18 improvements, including roof replacements and senior-
19 citizen facilities improvements, as provided in
20 Anchorage Ordinance No. 2017-____, shall Anchorage
21 issue up to \$1,407,000 in principal amount of general
22 obligation bonds? The proposed capital improvements
23 would be located within the Municipality of Anchorage.

24
25 Voter approval of this bond proposition authorizes for
26 each \$100,000 of assessed taxable property value
27 (based on the estimated total 2018 area-wide assessed
28 valuation in Anchorage) an annual increase in taxes of
29 approximately \$0.28 to retire the proposed bonds.

30
31 The debt shall be paid from real and personal property
32 taxes levied and collected areawide within Anchorage.
33 The Municipality will also pledge its full faith and credit
34 for payment of the bonds.


35
36 (AO No. 2017-____)

37
38
39 YES NO

40
41
42 **Section 4. Effective Dates.** Section 2 of this ordinance shall become effective
43 only if the proposition described in Section 3 is approved by a majority of the
44 qualified voters voting on the proposition at the regular election held on April 3, 2018.
45 The remaining sections of this ordinance shall become effective upon passage and
46 approval.

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PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this
9th day of January, 2018.

By 
Chair of the Assembly

ATTEST:


Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2017-171 Title: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED ONE MILLION FOUR HUNDRED SEVEN THOUSAND DOLLARS (\$1,407,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE FACILITIES CAPITAL IMPROVEMENT PROJECTS AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 3, 2018.

Sponsor: Mayor
 Preparing Agency: Finance
 Others Impacted: Areawide: Facilities Improvements

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY18	FY19	FY20	FY21	FY22
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services					
4000 Debt Service	--	101.2	101.2	101.2	101.2
5000 Capital Outlay					
TOTAL DIRECT COSTS:	--	101.2	101.2	101.2	101.2

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 \$101,251 assumes bonds are sold as a package @ 3.75% 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 \$0.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately \$101,251 equate to an estimated property tax increase of 0.0028 mills or \$0.28 per year on \$100,000 of assessed valuation in the Municipality areawide.



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 841-2017

Meeting Date: December 19, 2017

1 **From:** Mayor

2
3 **Subject:** AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE
4 QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE,
5 ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO
6 EXCEED ONE MILLION FOUR HUNDRED SEVEN THOUSAND
7 DOLLARS (\$1,407,000) OF GENERAL OBLIGATION BONDS OF
8 THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF
9 AREAWIDE FACILITIES CAPITAL IMPROVEMENT PROJECTS AT
10 THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 3,
11 2018.

12
13 The attached ordinance will place a general obligation bond proposition for
14 Areawide Facilities Improvements on the ballot for the regular Municipal election to
15 be held on April 3, 2018.

16
17 The administration recommends scheduling a public hearing for this bond ordinance
18 on January 9, 2018.

19
20 The Areawide Facilities Improvements bond proposal will implement the priorities
21 established in the recently approved 2018-2023 Capital Improvement Program.
22 Please see the attached Project List, attached as Exhibit A.

23
24 THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE.

25
26 Prepared and approved by: Robert E. Harris, CFO
27 Concur: Lance Wilber, Director, Office of Management
28 & Budget
29 Concur: Rebecca Windt Pearson, Municipal Attorney
30 Concur: William D. Falsey, Municipal Manager
31 Respectfully submitted: Ethan A. Berkowitz, Mayor

EXHIBIT A

Areawide Facilities Improvements 2018 Bond Project List (000)'s

<u>Project</u>	<u>Amount</u>	<u>O&M</u>
Anchorage Senior Center Facility Improvements	\$ 100	--
Animal Control Roof Replacement	600	--
Chugiak Senior Center Adult Day Services - Replace Fence and Deck with Concrete Patio	117	--
Chugiak-Eagle River Library Facility Improvements	90	--
Loussac Library Security Improvements	500	--
Total	\$1,407	--