

Municipal Clerk's Office

Approved

Date: **January 9, 2018**

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2017-173

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED ONE MILLION FIFTY THOUSAND DOLLARS (\$1,050,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF PUBLIC SAFETY FACILITIES (POLICE) AND RELATED CAPITAL IMPROVEMENTS IN THE ANCHORAGE METROPOLITAN POLICE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 3, 2018.

Prepared by

K&L GATES LLP

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2017-173**

TABLE OF CONTENTS *

	Page
Section 1. Purpose	1
Section 2. Details of Bonds	2
Section 3. Ballot Proposition.....	3
Section 4. 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.

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. 2017-173**

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED ONE MILLION FIFTY THOUSAND DOLLARS (\$1,050,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF PUBLIC SAFETY FACILITIES (POLICE) AND RELATED CAPITAL IMPROVEMENTS IN THE ANCHORAGE METROPOLITAN POLICE SERVICE AREA 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 Anchorage Metropolitan Police Service Area serving the Municipality of Anchorage, Alaska (the "Municipality") require the Municipality to renovate certain facilities and undertake certain capital improvements to its facilities (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 \$1,050,000 (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 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 \$1,050,000.

The Projects are 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 acquisition, improvement, expansion, and equipping of the Projects shall be deemed to be costs of the approved Projects.

1 The Assembly shall determine the application of available moneys for the
2 Projects so as to acquire, renovate, replace and equip, as nearly as may be, all of
3 the Projects described or provided for in this section.
4

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

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

24 For the purpose of providing funds for the Projects, which is hereby found to be
25 a public purpose and in the public interest, the Municipality hereby proposes to issue
26 general obligation bonded indebtedness in an amount not to exceed One Million
27 Fifty Thousand Dollars (\$1,050,000) (the "Bonds").
28

29 **Section 2. Details of Bonds.** The Bonds shall be sold in such amounts and at
30 such time or times as deemed necessary and advisable by the Assembly and as
31 permitted by law and shall mature over a period of 20 years from date of issue. The
32 Bonds shall be issued in an aggregate principal amount of not to exceed
33 \$1,050,000. The Bonds shall bear interest to be fixed at the time of sale or sales
34 thereof. The exact form, terms, conditions, contents, security, options of
35 redemption, and such other matters relating to the issuance and sale of said Bonds
36 as are deemed necessary and advisable by the Assembly shall be as hereinafter
37 determined and/or delegated by ordinance and/or resolution of the Assembly.
38

39 The full faith and credit of the Municipality is pledged for the payment of the
40 principal of and interest on the Bonds, and ad valorem taxes upon all taxable
41 property in the Municipality shall be levied without limitation as to rate or amount to
42 pay the principal and interest on the Bonds when due. The principal of and interest
43 on the Bonds are to be paid first from ad valorem taxes levied and collected within
44 the Anchorage Metropolitan Police Service Area.
45

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

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

PROPOSITION NO. _____

ANCHORAGE METROPOLITAN POLICE SERVICE AREA FACILITIES BONDS

For the purpose of renovating certain facilities, replacing boilers, valves and fittings, replacing a HVAC unit and undertaking certain capital improvements, in the Anchorage Metropolitan Police Service Area as provided in Anchorage Ordinance No. 2017-__, shall the Municipality of Anchorage borrow money and issue up to \$1,050,000 in principal amount of general obligation bonds with no increase in the municipal tax cap required to pay the associated annual operations and maintenance costs?

Voter approval of this bond proposition authorizes for each \$100,000 of assessed taxable property value (based on the estimated 2018 assessed valuation in the Anchorage Metropolitan Police Service Area): an annual increase in taxes of approximately \$0.22 to retire the proposed bonds.

The debt shall be paid from real and personal property taxes levied and collected within the Anchorage Metropolitan Police Service Area, which consists of areas north of McHugh Creek (other than Fire Island), without cost to properties in Girdwood, Bird, Indian, Rainbow, Portage and other areas outside the Service Area. The Municipality will also pledge its full faith and credit for payment of the bonds.

(AO No. 2017-__)

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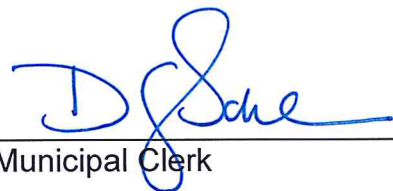
YES NO

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

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: 2017-173 Title: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED ONE MILLION FIFTY THOUSAND DOLLARS (\$1,050,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF PUBLIC SAFETY FACILITIES (POLICE) AND RELATED CAPITAL IMPROVEMENTS IN THE ANCHORAGE METROPOLITAN POLICE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 3, 2018.

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

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	--	75.6	75.6	75.6	75.6
5000 Capital Outlay					
TOTAL DIRECT COSTS:	--	75.6	75.6	75.6	75.6

 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 \$75,560 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 \$75,560 equate to an estimated property tax increase of 0.0022 mills or \$0.22 per year on \$100,000 of assessed valuation in the Anchorage Metropolitan Police Service Area.



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 843-2017

Meeting Date: December 19, 2017

1 **From:** Mayor

2
3 **Subject:** AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE
4 QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION
5 OF THE ISSUANCE OF NOT TO EXCEED ONE MILLION FIFTY
6 THOUSAND DOLLARS (\$1,050,000) OF GENERAL OBLIGATION
7 BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE
8 COSTS OF PUBLIC SAFETY FACILITIES (POLICE) AND
9 RELATED CAPITAL IMPROVEMENTS IN THE ANCHORAGE
10 METROPOLITAN POLICE SERVICE AREA AT THE ELECTION TO
11 BE HELD IN THE MUNICIPALITY ON APRIL 3, 2018.

12
13 The ordinance will place a general obligation bond proposition for the Anchorage
14 Metropolitan Police Service Area on the ballot for the Municipal election to be held
15 on April 3, 2018.

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

19
20 The Anchorage Metropolitan Police Service Area bond proposal will implement the
21 priorities established in the recently approved 2018-2023 Capital Improvement
22 Program. 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

32
33 AM 2018 Police Prop.doc

EXHIBIT A

**Anchorage Police Service Area
2018 Bond Project List
(000)'s**

Project	Amount	O&M
APD Headquarters Boilers, Valves, and Fittings Replacement	\$800	--
APD Training Center Roof Top HVAC Unit Replacement	\$250	--
Total	\$1,050	