

Municipal Clerk's Office

Approved

Date: **January 9, 2018**

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2017-177

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED THREE MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS (\$3,650,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF CONSTRUCTING, RENOVATING AND EQUIPPING PARK, TRAIL AND RECREATIONAL FACILITIES CAPITAL IMPROVEMENTS AND RELATED CAPITAL IMPROVEMENTS IN THE ANCHORAGE PARKS AND RECREATION SERVICE AREA, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE PARKS AND RECREATION SERVICE AREA, WITHOUT COST TO CHUGIAK, EAGLE RIVER, GIRDWOOD AND OTHER TAXPAYERS OUTSIDE THE 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. 2017-177**

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, ALASKA
ORDINANCE No. 2017-177**

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED THREE MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS (\$3,650,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF CONSTRUCTING, RENOVATING AND EQUIPPING PARK, TRAIL AND RECREATIONAL FACILITIES CAPITAL IMPROVEMENTS AND RELATED CAPITAL IMPROVEMENTS IN THE ANCHORAGE PARKS AND RECREATION SERVICE AREA, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE PARKS AND RECREATION SERVICE AREA, WITHOUT COST TO CHUGIAK, EAGLE RIVER, GIRDWOOD AND OTHER TAXPAYERS OUTSIDE THE 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 Parks and Recreation Service Area serving the Municipality of Anchorage, Alaska (the "Municipality") require the Municipality to construct, renovate and equip various park and trail improvements, recreational facilities, and related capital improvements (the "Projects"); and

WHEREAS, in order to provide funds to undertake 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 parks, trails and recreation facilities within the Anchorage Parks and Recreation Service Area are in need of construction, renovation and equipping of the Projects. The Assembly of the Municipality hereby determines that the best interest of the residents and property owners within the Anchorage Parks and Recreation 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 \$3,650,000.

1
2 The Projects are described in more detail in the attachment to the Assembly
3 Memorandum accompanying this ordinance. The cost of all necessary planning,
4 site preparation, construction, installing and equipping of the Projects, architectural,
5 engineering, design, and other consulting services, inspection and testing,
6 administrative expenses, costs of issuance of the Bonds (hereinafter defined) and
7 other costs incurred in connection with the Projects shall be deemed to be costs of
8 the approved Projects. The approved Projects may be completed with all necessary
9 equipment and appurtenances.

10
11 The Municipality shall determine the application of available moneys as
12 between the various Projects so as to accomplish, as nearly as may be, all of the
13 Projects described or provided for in this section.

14
15 If the Municipality shall determine that it has become impractical to accomplish
16 any portion of the approved Projects by reason of changed conditions or needs,
17 incompatible development or costs substantially in excess of those estimated, the
18 Municipality shall not be required to accomplish such portions and shall apply Bond
19 proceeds as set forth in this section.

20
21 If the approved Projects have been completed in whole or in part, or their
22 completion duly provided for, or their completion found to be impractical, the
23 Municipality may apply Bond proceeds or any portion thereof to other Municipality
24 park and recreation capital improvements at its sole discretion. Otherwise, the
25 Municipality shall apply such remaining proceeds solely to payment of principal or
26 interest on the Bonds, as provided in the Home Rule Charter. In the event that the
27 proceeds of sale of the Bonds, plus any other monies of the Municipality legally
28 available, are insufficient to accomplish the approved Projects, the Municipality shall
29 use the available funds for paying the cost of those portions of the approved Projects
30 deemed by the Municipality most necessary and in the best interest of the
31 Municipality. No Bond proceeds shall be used by the Municipality for any purpose
32 other than a capital improvement of the Municipality.

33
34 For the purpose of providing funds for the undertaking of the Projects, which
35 are hereby found to be a public purpose and in the public interest, the Municipality
36 hereby proposes to issue general obligation bonded indebtedness in an amount not
37 to exceed Three Million Six Hundred Fifty Thousand Dollars (\$3,650,000) (the
38 "Bonds").

39
40 **Section 2.** Details of Bonds. The Bonds shall be sold in such amounts and at
41 such time or times as deemed necessary and advisable by the Assembly and as
42 permitted by law and shall mature over a period of up to 20 years from date of issue.
43 The Bonds shall be issued in an aggregate principal amount of not to exceed
44 \$3,650,000. The Bonds shall bear interest to be fixed at the time of sale or sales
45 thereof. The exact form, terms, conditions, contents, security, options of
46 redemption, and such other matters relating to the issuance and sale of said Bonds

1 as are deemed necessary and advisable by the Assembly shall be as hereinafter
 2 determined and/or delegated by ordinance and/or resolution of the 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. The principal of and interest
 8 on the Bonds are to be paid first from ad valorem taxes levied and collected within
 9 the Anchorage Parks and Recreation Service Area.

10
 11 **Section 3. Ballot Proposition.** The Assembly hereby submits to the qualified
 12 voters of the Municipality the proposition of whether or not the Municipality should
 13 issue the Bonds for the purpose of financing the costs of the approved Projects at
 14 the regular municipal election to be held on April 3, 2018.

15
 16 The Clerk shall prepare the ballot proposition to be submitted to the voters
 17 as provided by this ordinance and the Municipal Code and shall perform all
 18 necessary steps in accordance with law to place this proposition before the voters
 19 at the regular election. The proposition must receive a majority vote of those in the
 20 Municipality voting, both in the Anchorage Parks and Recreation Service Area and
 21 area-wide, on the question to be approved. The proposition shall be substantially
 22 in the following form:

23
 24 PROPOSITION NO. __

25
 26 ANCHORAGE PARKS AND RECREATION
 27 SERVICE AREA CAPITAL IMPROVEMENT BONDS

28
 29 To repair and replace aging pedestrian bridges along
 30 trails, make playground, parking, safety and park
 31 improvements at various parks, rehabilitate trails
 32 including Campbell Creek Trail, construct a bike park at
 33 South Anchorage Sports Park in the Anchorage Parks
 34 and Recreation Service Area, and related capital
 35 improvements as provided in ordinance
 36 AO No. 2017-__, shall Anchorage borrow money and
 37 issue up to \$3,650,000 in principal amount of general
 38 obligation bonds and increase the municipal tax cap by
 39 an annual amount not to exceed \$174,000 to pay for
 40 associated annual operations and maintenance costs?

41
 42 Voter approval of this bond proposition authorizes for
 43 each \$100,000 of assessed taxable property value
 44 (based on the estimated total 2018 assessed valuation
 45 in the Anchorage Parks and Recreation Service Area):
 46 (i) an annual increase in taxes of \$0.85 to retire the

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37

proposed bonds, and (ii) an annual increase in the municipal tax cap (Charter 14.03(b)(2)) of approximately \$0.56 to pay for annual operation and maintenance costs related to the proposed capital improvements.


The debt shall be first paid from real and personal property taxes levied and collected within the Anchorage Parks and Recreation Service Area, without cost to properties in Chugiak, Eagle River, Girdwood, 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-__)

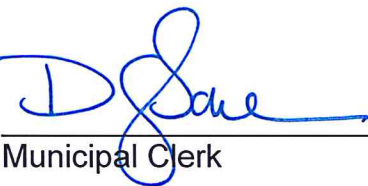
YES NO

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 by the Assembly.

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: 2017-177 Title: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED THREE MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS (\$3,650,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF CONSTRUCTING, RENOVATING AND EQUIPPING PARK, TRAIL AND RECREATIONAL FACILITIES CAPITAL IMPROVEMENTS AND RELATED CAPITAL IMPROVEMENTS IN THE ANCHORAGE PARKS AND RECREATION SERVICE AREA, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE PARKS AND RECREATION SERVICE AREA, WITHOUT COST TO CHUGIAK, EAGLE RIVER, GIRDWOOD AND OTHER TAXPAYERS OUTSIDE THE SERVICE AREA, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 3, 2018.

Sponsor: Mayor
 Preparing Agency: Finance
 Others Impacted: Parks & Recreation Department

CHANGES IN EXPENDITURES AND REVENUES:					
(Thousands of Dollars)					
	FY18	FY19	FY20	FY21	FY22
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	--	174.0	174.0	174.0	174.0
4000 Debt Service	--	262.6	262.6	262.6	262.6
5000 Capital Outlay					
TOTAL DIRECT COSTS:	--	436.6	436.6	436.6	436.6
ADD: 6000 Charge from Others					
FUNCTION COST:					
REVENUES:					
CAPITAL:					
POSITIONS: FT/PT and Temp.					

PUBLIC SECTOR ECONOMIC EFFECTS:

Estimated annual debt service of \$263,000 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 \$174,000.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately \$263,000 equate to an estimated property tax increase of 0.0085 mills or \$0.85 per year on \$100,000 of assessed valuation in the Anchorage Parks and Recreation Service Area.

When fully operational, increased annual operations and maintenance costs are estimated at \$174,000 and equate to an estimated property tax increase of 0.0056 mills or \$0.56 per year on \$100,000 of assessed valuation in the Anchorage Parks and Recreation Service Area and an increase in the Municipal tax cap limitation.

The total private sector economic effect would therefore be a total of \$1.41 per \$100,000 of assessed valuation in the Anchorage Parks and Recreation Service Area.



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 853-2017

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 THREE MILLION SIX
6 HUNDRED FIFTY THOUSAND DOLLARS (\$3,650,000) OF GENERAL
7 OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO
8 PAY THE COSTS OF CONSTRUCTING, RENOVATING AND
9 EQUIPPING PARK, TRAIL AND RECREATIONAL FACILITIES
10 CAPITAL IMPROVEMENTS AND RELATED CAPITAL
11 IMPROVEMENTS IN THE ANCHORAGE PARKS AND RECREATION
12 SERVICE AREA, AND THE QUESTION OF AN INCREASE IN THE
13 MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED
14 OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE
15 PARKS AND RECREATION SERVICE AREA, WITHOUT COST TO
16 CHUGIAK, EAGLE RIVER, GIRDWOOD AND OTHER TAXPAYERS
17 OUTSIDE THE SERVICE AREA, AT THE ELECTION TO BE HELD IN
18 THE MUNICIPALITY ON APRIL 3, 2018.
19

20 The ordinance will place a general obligation bond proposition for the Anchorage
21 Parks and Recreation Service Area on the ballot for the Municipal election to be
22 held on April 3, 2018.
23

24 The administration recommends scheduling a public hearing for this bond
25 ordinance on January 9, 2018.
26

27 The Anchorage Parks and Recreation Service Area bond proposal will implement
28 the priorities established in the recently approved 2018-2023 Capital Improvement
29 Program. Please see the attached Project List, attached as Exhibit A.
30

31 THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE.
32

33 Prepared and approved by: Robert E. Harris, CFO
34 Concur: Lance Wilber, Director, Office of Management
35 & Budget
36 Concur: Rebecca Windt Pearson, Municipal Attorney
37 Concur: William D. Falsey, Municipal Manager
38 Respectfully submitted: Ethan A. Berkowitz, Mayor
39
40

EXHIBIT A

Anchorage Parks and Recreation Service Area 2018 Bond Project List (000)'s

<u>Project</u>	<u>Amount</u>	<u>O&M</u>
Campbell Creek Trail Rehabilitation & Way Finding	\$ 750	\$37.5
Chester Creek Single Track	150	3.75
Coastal Trail Bridge Replacement and Improvements at South Westchester Lagoon	950	19
Facility Safety Upgrades	100	--
Fairview Park Safety and Inclusive Playground	250	15
Taku Lake Park Safety and Recreation Improvement	250	15
South Anchorage Sports Park, Phase 3, Construction of Bike Park	150	15
Tikishla Park Inclusive Playground	100	--
Town Square Park Development	600	60
University Lake Park Safety Improvements	350	8.75
Total	\$3,650	\$174