MUNICIPALITY OF ANCHORAGE, ALASKA
ORDINANCE No. 2014-17


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; and

WHEREAS, the Assembly of the Municipality have identified necessary construction, renovations and equipping of various park and trail improvements, recreational facilities and related capital improvements within the Anchorage Parks and Recreation Service Area; and

WHEREAS, in order to provide funds to perform the necessary construction, renovations, upgrades and improvements 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 the parks, trails and recreation facilities within the Anchorage Parks and Recreation Service Area are in need of construction, renovation and equipping of various improvements (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 $2,550,000.

The Projects are described in more detail in the attachment to the Assembly
Memorandum accompanying this ordinance. The cost of all necessary planning,
site preparation, construction, installing and equipping of the Projects,
arhitectural, 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.

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

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

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

For the purpose of providing funds for the undertaking of the Projects, which
are hereby found to be a public purpose and in the public interest, the Municipality
hereby proposes to issue general obligation bonded indebtedness in an amount
not to exceed Two Million Five Hundred Fifty Thousand Dollars ($2,550,000) (the
"Bonds").
Section 2. Details of Bonds. The Bonds shall be sold in such amounts and at
such time or times as deemed necessary and advisable by the Assembly and as
permitted by law and shall mature over a period of up to 20 years from date of
issue. The Bonds shall be issued in an aggregate principal amount of not to
exceed $2,550,000. The Bonds shall bear interest to be fixed at the time of sale or
sales thereof. The exact form, terms, conditions, contents, security, options of
redemption, and such other matters relating to the issuance and sale of said
Bonds as are deemed necessary and advisable by the Assembly shall be as
hereinafter determined and/or delegated by ordinance and/or resolution of the
Assembly.

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

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 1, 2014.

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 Parks and Recreation Service Area
and areawide, on the question to be approved. The proposition shall be
substantially in the following form:

PROPOSITION NO. __

ANCHORAGE PARKS AND RECREATION
SERVICE AREA CAPITAL IMPROVEMENT BONDS

To improve parks and trails, improve Valley of the
Moon Park, including an enclosed dog park area and
parking lot expansion, repair and resurface greenbelt
trails and safety upgrades, including resurfacing the
bike trail system, replacement of various park
upgrades, make safety upgrades at recreation centers
including Kincaid Facilities, in the Anchorage Parks and
Recreation Service Area and related capital
improvements as provided in ordinance AO
No. 2014-__, shall Anchorage borrow money and
issue up to $2,550,000 in principal amount of general
obligation bonds and increase the municipal tax cap by
an annual amount not to exceed $175,000 to pay for
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 total 2014 assessed valuation
in the Anchorage Parks and Recreation Service Area):
(i) an annual increase in taxes of $0.71 to retire the
proposed bonds, and (ii) an annual increase in the
municipal tax cap (Charter 14.03) of approximately
$0.61 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. Anchorage
will also pledge its full faith and credit for payment of
the bonds.

(AO No. 2014-__)

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

PROPOSITION NO. __________  BONDS, YES □

BONDS, NO □

Section 5. 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 1,
2014. 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 28th day of January, 2014.

By [Signature]
Chair of the Assembly

ATTEST:

[Signature]
Municipal Clerk
MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2014-17


Prepared by

K&L GATES LLP
MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2014-17

TABLE OF CONTENTS*

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1.</td>
<td>Purpose</td>
<td>1</td>
</tr>
<tr>
<td>Section 2.</td>
<td>Details of Bonds</td>
<td>3</td>
</tr>
<tr>
<td>Section 3.</td>
<td>Ballot Proposition</td>
<td>3</td>
</tr>
<tr>
<td>Section 4.</td>
<td>Submission of Question to Voters</td>
<td>4</td>
</tr>
<tr>
<td>Section 5.</td>
<td>Effective Dates</td>
<td>4</td>
</tr>
</tbody>
</table>

* This Table of Contents and the cover page are for convenience of reference and are not intended to be a part of this ordinance.
Title: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED TWO MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS ($2,550,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF CONSTRUCTING, RENOVATING AND EQUIPPING PARK AND TRAIL IMPROVEMENTS AND RECREATIONAL FACILITIES, 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 1, 2014.

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

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<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
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<td>1000 Personal Services</td>
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<td>3000 Other Services</td>
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<td>4000 Debt Service</td>
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<td>5000 Capital Outlay</td>
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<td>TOTAL DIRECT COSTS</td>
<td>380</td>
<td>380</td>
<td>380</td>
<td>380</td>
<td>380</td>
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<tr>
<td>ADD: 6000 Charge from Others</td>
<td></td>
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<tr>
<td>LESS: 7000 Charge to Others</td>
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<td>FUNCTION COST</td>
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<td>REVENUES</td>
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<tr>
<td>CAPITAL</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>POSITIONS: FT/PT and Temp.</td>
<td></td>
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</tr>
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</table>

PUBLIC SECTOR ECONOMIC EFFECTS:

Estimated annual debt service of $204,619 assumes bonds are sold as a package @ 5.00% 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 $175,000.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately $204,619 equate to an estimated property tax increase of 0.0071 mills or $0.71 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 $175,000 and equate to an estimated property tax increase of 0.0061 mills or $0.61 per year on $100,000 of assessed valuation in the Anchorage Parks and Recreation 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 $1.32 per $100,000 of assessed valuation in the Anchorage Parks and Recreation Service Area.

Prepared by: Ross Risvold, Public Finance & Investments Manager Phone: 343-6606

SEE 2014 Parks Prop.doc
From: Mayor


The ordinance will place a general obligation bond proposition for the Anchorage Parks and Recreation Service Area on the ballot for the Municipal election to be held on April 1, 2014.

The administration recommends scheduling a public hearing for this bond ordinance on January 28, 2014.

The Anchorage Parks and Recreation Service Area bond proposal will implement the priorities established in the recently approved 2014-2019 Capital Improvement Program. Please see the attached Project List, attached as Exhibit A.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE.

Prepared and approved by: Lucinda Mahoney, CFO
Concurrence: Marilyn Banzhaf, Office of Management & Budget
Concurrence: Dennis A. Wheeler, Municipal Attorney
Concurrence: George J. Vakalis, Municipal Manager
Respectfully submitted: Daniel A. Sullivan, Mayor
# EXHIBIT A

## Anchorage Parks and Recreation Service Area

### 2014 Bond Project List

(000)’s

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Scope</th>
<th>Amount</th>
<th>O&amp;M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valley of the Moon Park Dog Park</td>
<td>Valley of the Moon is one of Anchorage’s most popular community use parks. The two existing picnic shelters are always reserved, the rocket ship playground is loved by Anchorage families, the park’s location on the Chester Creek Greenbelt makes it a popular trailhead access point and the old little-league field has evolved into a very popular, but ad-hoc, fenced dog area. These popular activities have created a demand that is more than the existing parking facilities can handle. Additionally, although the little league field is popular as a dog area, there are many dog park amenities that can be added to formalize the dog-area for increased usability and enjoyment by off-leash dog enthusiasts. Funding will be used to improve and expand parking, formalize an off-leash, enclosed dog area, repair stream bank erosion and improve community use park amenities.</td>
<td>$50</td>
<td>$0</td>
</tr>
<tr>
<td>Citywide Greenbelt Trail Resurfacing and Safety Upgrades</td>
<td>Complete the resurfacing and rehabilitation of Anchorage’s major multi-use greenbelt trails including Campbell Creek and Chester Creek trails and their associated spurs and connectors.</td>
<td>$1,500</td>
<td>$105</td>
</tr>
<tr>
<td>Kincaid Facility Improvements and Safety Upgrades</td>
<td>Funds will be used to upgrade the Kincaid Chalet to satisfy ADA accessibility requirements; modification to the existing entrance and interior layout to accommodate multiple program usage; roof replacement on older portion of the building; replacement or restoration of the exterior windows and flooring upgrades to accommodate high traffic flow; conversion from fluorescent to LED lighting; upgrade facility security system and expand and improve the parking lots.</td>
<td>$1,000</td>
<td>$70</td>
</tr>
</tbody>
</table>

**TOTAL**                                                                                                                                           | $2,550 | $175 |