MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2014-20

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED
VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF
NOT TO EXCEED TWENTY MILLION TWO HUNDRED THOUSAND DOLLARS
($20,200,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF
ANCHORAGE TO PAY THE COSTS OF ROAD, STORM DRAINAGE 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 ROADS
AND DRAINAGE SERVICE AREA AT THE ELECTION TO BE HELD IN THE
MUNICIPALITY ON APRIL 1, 2014.

WHEREAS, the best interest of the citizens and property owners in the Anchorage
Roads and Drainage Service Area serving the Municipality of Anchorage, Alaska
(the “Municipality”) require the Municipality to acquire, construct, renovate,
upgrade and undertake certain road improvements, roadway safety improvements,
storm collection drainage and treatment improvements and related capital
improvements; and

WHEREAS, the Assembly of the Municipality have identified necessary capital
acquisitions, construction, renovations, upgrades and improvements within the
Anchorage Roads and Drainage Service Area; and

WHEREAS, in order to provide funds to perform the necessary acquisitions,
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 roads and storm
drainage within the Anchorage Roads and Drainage Service Area are in need of
capital acquisitions, construction, renovation, upgrades and improvements (the
“Projects”). The Assembly of the Municipality hereby determines that the best
interest of the residents and property owners within the Anchorage Roads and
Drainage 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 $20,200,000.

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.

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 road and storm drainage capital improvements within the Anchorage Roads and Drainage Service Area 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 Twenty Million Two Hundred Thousand Dollars ($20,200,000) (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 $20,200,000. 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 Roads and Drainage 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 Roads and Drainage Service Area and areawide, on the question to be approved. The proposition shall be substantially in the following form:

PROPOSITION NO. _______

ANCHORAGE ROADS AND DRAINAGE SERVICE AREA ROAD AND STORM DRAINAGE BONDS

For the purpose of providing roads and storm drainage capital acquisition, construction, renovation, upgrades and related capital improvements as provided in Anchorage Ordinance No. 2014-___, shall Anchorage borrow money and issue up to $20,200,000 in principal amount of general obligation bonds and increase the municipal tax cap by an annual amount not to exceed $547,000 to pay the associated annual operations and maintenance costs? The proposed capital improvements would be located within the Anchorage Roads and Drainage Service Area.
Voter approval of this bond proposition authorizes for each $100,000 of assessed taxable property value (based on the estimated 2014 assessed valuation in the Anchorage Roads and Drainage Service Area): (i) an annual increase in taxes of approximately $6.20 to retire the proposed bonds, and (ii) an annual increase necessary to fund the proposed increase in the municipal tax cap (Charter 14.03(b)(2)) of approximately $2.09 to pay for annual operations and maintenance costs related to the proposed capital improvements.

The debt shall be paid from real and personal property taxes levied and collected within the Anchorage Roads and Drainage Service Area. Anchorage will also pledge its full faith and credit for payment of the debt.

(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.

PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this 28th day of January, 2014.

By ____________________
Chair of the Assembly

ATTEST:

____________________
Municipal Clerk
MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2014-20

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED TWENTY MILLION TWO HUNDRED THOUSAND DOLLARS ($20,200,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF ROAD, STORM DRAINAGE 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 ROADS AND DRAINAGE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2014.

Prepared by

K&L GATES LLP
MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2014-20

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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.
MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2014-20
Title: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED TWENTY MILLION TWO HUNDRED THOUSAND DOLLARS ($20,200,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF ROAD, STORM DRAINAGE 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 ROADS AND DRAINAGE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2014.

Sponsor: Mayor
Preparing Agency: Finance
Others Impacted: ARDSA

<table>
<thead>
<tr>
<th>CHANGES IN EXPENDITURES AND REVENUES:</th>
<th>(Thousands of Dollars)</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>FY14</td>
</tr>
<tr>
<td>Operating Expenditures</td>
<td></td>
</tr>
<tr>
<td>1000 Personal Services</td>
<td></td>
</tr>
<tr>
<td>2000 Supplies</td>
<td></td>
</tr>
<tr>
<td>3000 Other Services</td>
<td></td>
</tr>
<tr>
<td>4000 Debt Service</td>
<td>1,621</td>
</tr>
<tr>
<td>5000 Capital Outlay</td>
<td></td>
</tr>
<tr>
<td>TOTAL DIRECT COSTS:</td>
<td>2,168</td>
</tr>
</tbody>
</table>

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 $1,620,900 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 $547,000.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately $1,620,900 equate to an estimated property tax increase of 0.062 mills or $5.20 per year on $100,000 of assessed valuation in the ARDSA.

When fully operational, increased annual operations and maintenance costs are estimated at $547,000 and equate to an estimated property tax increase of 0.0209 mills or $2.09 per year on $100,000 of assessed valuation in the ARDSA.
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 $8.29 per $100,000 of assessed valuation in the ARDSA.

Prepared by: Ross Risvold, Public Finance & Investments Manager

Phone: 343-6606

SEE 2014 ARDSA 20.2 Prop.doc
MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 38-2014

Meeting Date: January 14, 2014

From: Mayor

Subject: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED TWENTY MILLION TWO HUNDRED THOUSAND DOLLARS ($20,200,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF ROAD, STORM DRAINAGE 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 ROADS AND DRAINAGE SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2014.

The attached ordinance will place a general obligation bond proposition for the ARDSA on the ballot for the regular 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 ARDSA 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

AM 2014 ARDSA 20.2 Prop.doc
### EXHIBIT A

**Anchorage Road and Drainage Service Area**  
**2014 Bond Project List**  
**(000)'s**

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Scope</th>
<th>Amount</th>
<th>Q&amp;M</th>
</tr>
</thead>
<tbody>
<tr>
<td>16th Ave Reconstruction - A St to Gambell St</td>
<td>This project will reconstruct the collector route serving the Sullivan Arena Sports Complex. Improvements are expected to include new pavement, turn lanes, medians, ADA upgrades and sidewalk replacement as needed, and evaluation of the storm drain system including curbs and possible replacement.</td>
<td>$1,500</td>
<td>$50</td>
</tr>
<tr>
<td>Arctic Blvd Reconstruction Phase III - 36th Ave to Tudor Rd</td>
<td>This project will reconstruct and reconfigure an arterial street from a 4-lane to a 3-lane section. Improvements are expected to include pavement, curbs, a center turn lane, medians, upgraded street lighting, storm drain reconstruction, possible utility relocation, and pedestrian facilities on both sides.</td>
<td>$100</td>
<td>$80</td>
</tr>
<tr>
<td>ARDSA Road and Drainage System Rehabilitation</td>
<td>This program provides funding to reconstruct street and drainage facilities which require quick response. Improvements are generally focused on pavement, curb, sidewalk, and storm drain reconstruction. The program provides a funding mechanism to address small scope road and drainage facilities that fail more quickly than anticipated.</td>
<td>$400</td>
<td>$5</td>
</tr>
<tr>
<td>Lake Otis Pkwy Surface Rehab - Campbell Creek to 68th Ave</td>
<td>This project will rehab the pavement on Lake Otis Pkwy from Campbell Creek to 68th Avenue. Improvements are expected to include a pavement overlay and spot curb and sidewalk repair.</td>
<td>$2,600</td>
<td>$25</td>
</tr>
<tr>
<td>Northwood Dr Pavement and Storm Drain Rehabilitation - Raspberry Rd to Strawberry Rd</td>
<td>This project will rehabilitate the pavement on a minor arterial street. Storm drain slip lining or replacement is also anticipated.</td>
<td>$3,000</td>
<td>$25</td>
</tr>
<tr>
<td>Road and Storm Drain Matching Program</td>
<td>This program funds road and drainage and replacement projects throughout Anchorage and is a 50/50 funding partnership with the State. Project priorities will be established by Street Maintenance, Traffic, and Project Management and Engineering, with input from elected officials and the public. Projects to be funded are primarily roads, but some trail rehab is also anticipated. Projects that may be funded include: Northwood Dr - Raspberry Rd to Strawberry Rd, Lake Otis Pkwy - Campbell Creek to Dowling Rd, Sylvan Dr - Fairweather to Old Seward, Egavik Dr/Dena[ll St Area, Klaat Rd/Southport Dr, Commercial Dr - 3rd Ave to Mountain View Dr, Mountain View Dr - Commercial Dr to Bragaw St, Spenard Rd - International Airport Rd to Wisconsin St, Spenard Rd, Benson Blvd to 36th Ave. Neighborhood streets Areawide as in the past.</td>
<td>$3,000</td>
<td>$12</td>
</tr>
<tr>
<td>Spruce St Upgrade/Extension - Dowling Rd to 68th Ave</td>
<td>This project will upgrade and complete a new north/south collector street connection between Dowling Road and 68th Avenue. Improvements are expected to include a new road base, curbs, pavement, storm drains, pedestrian facilities, street lighting, and landscaping. The project scope will be developed in the design phase, which includes significant public involvement.</td>
<td>$1,000</td>
<td>$100</td>
</tr>
<tr>
<td>ADA Improvements</td>
<td>This program will construct ADA upgrades to pedestrian facilities throughout the Anchorage Roads and Drainage Service Area (ARDSA).</td>
<td>$200</td>
<td>$2</td>
</tr>
<tr>
<td>Pedestrian Safety and Rehab Matching Program</td>
<td>This funding will be used to construct small &quot;missing links&quot; in the existing sidewalk system. Rehabilitation of existing sidewalks and trails will also be included. Pedestrian safety is a primary consideration in selecting projects.</td>
<td>$1,200</td>
<td>$35</td>
</tr>
<tr>
<td>ARDSA Lift Station/Thaw Station Rehabilitation</td>
<td>This project will rehabilitate the aging lift stations and thaw stations in the Street Maintenance inventory as they are identified.</td>
<td>$250</td>
<td>$3</td>
</tr>
<tr>
<td>ARDSA Storm Drain Condition Assessment and Rehabilitation Program</td>
<td>This goal will be accomplished by evaluating the degree of degradation and functionality in our existing storm drain systems through CCTV (Closed Circuit Television) videoing augmented and by field inspecting segments of pipe. The primary focus of this project will be to concentrate on metal pipes and sections with suspect corrosion, flooding and drainage issues. Inherent with any of these investigative techniques, it may be incumbent upon the investigative staff to complete a condition survey, which may require the cleaning and or vactoring of debris that covers the bottom of the storm drain pipe. Emergency rehabilitation will be completed on segments that have critical near failure. Other sections will be prioritized to be included in a future capital improvement program.</td>
<td>$500</td>
<td>$0</td>
</tr>
<tr>
<td>Bolin St Area Storm Drain</td>
<td>This project will install/replace storm drain and resurface the local roads in the vicinity of Bolin Street. Decision has been made to replace the storm drain in Bolin, 4th, and Cherry Streets to connect with existing pipe large enough to handle the flows.</td>
<td>$500</td>
<td>$5</td>
</tr>
<tr>
<td>Chester Creek at Muldoon Road Realignment and Channel Improvements</td>
<td>This project will design and construct erosion, fish habitat, flooding, and storm drain improvements to Chester Creek at and east of Muldoon Road. Creek relocation is expected to accommodate a new crossing of Muldoon Road.</td>
<td>$1,500</td>
<td>$50</td>
</tr>
<tr>
<td>Flooding, Glaciation, and Drainage Matching Program</td>
<td>This project will design and construct drainage projects throughout the ARDSA. The goal of improvements is to improve safety, water quality, and maintenance costs and flooding. Improvements typically include curb installation and repair, catch basin and storm drain installation and repair, ditching, culverts, and rehabilitation or upgrades to water quality facilities such as sedimentation basins. Some of the area that may receive funding through this program include but are not limited to: C St at 20th Ave, Campbell Creek at Greenhill Way, Image Dr/Reflection Dr, Jewel Lake Rd at 88th Ave, Old Seward Hwy/International Airport Rd, Campbell Woods Subdivision, Lakeview Terrace Subdivision, Foothills East Subdivision, and Bancroft Subdivision.</td>
<td>$3,000</td>
<td>$30</td>
</tr>
<tr>
<td>ARDSA Street Light Improvements</td>
<td>This program will construct new and/or replace existing street lights within the Anchorage Roads and Drainage Service Area (ARDSA). Specific locations will be identified by the Street Maintenance and the Traffic Department. A primary goal of the funding is upgrading the municipal street light system to LED illumination.</td>
<td>$250</td>
<td>$25</td>
</tr>
<tr>
<td>Intersection Safety and Congestion Relief Matching Program</td>
<td>This program funds intersection and traffic safety projects throughout Anchorage through a funding partnership with the State. Project priorities will be established by the Traffic Engineering Section and Project Management and Engineering, with input from elected officials and the public. Improvements are expected to focus on fully funding intersection improvements at selected intersections along major arterial corridors. Funding is also applied to projects where the scope includes creating a new connection that enhances traffic circulation. Funding may also be allocated to traffic and pedestrian safety projects on collector streets and in local neighborhoods.</td>
<td>$1,000</td>
<td>$50</td>
</tr>
<tr>
<td>Campbell Airstrip Rd Upgrade - Mile 0.3 to Mile 0.7 (Pedestrian/Bike Trail)</td>
<td>This project will construct roadway improvements and a multi-modal pathway to match the existing improvements on either end.</td>
<td>$200</td>
<td>$50</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$20,200</strong></td>
<td><strong>$547</strong></td>
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