MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2020-1


Prepared by

K&L GATES LLP
MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2020-1

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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
ORDINANCE No. 2020-1


WHEREAS, the best interests of the citizens and property owners in the Girdwood Valley Service Area in the Municipality of Anchorage, Alaska (the “Municipality”) require the Municipality to replace Glacier City Hall and Little Bears facilities and make related capital improvements (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 $2,200,000 (the “Bonds”); and,

WHEREAS, the 2020 General Government Capital Improvement Budget (CIB) was approved on November 19, 2019 by AO 2019-118 as Amended and in accordance with AMC 6.10.045, the 2020 General Government CIB shall be revised to include the changes as reflected in this ordinance; now, therefore

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Purpose. The Assembly of the Municipality hereby determines that the facilities within the Girdwood Valley Service Area are in need of the Projects. The Assembly hereby determines that the best interests of the residents and property owners within the Girdwood Valley 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 $2,200,000.

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, 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 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 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
facility capital improvements within the Girdwood Valley 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 by the
Municipality for any purpose other than a capital improvement of the Municipality.

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 Two Hundred Thousand Dollars ($2,200,000).

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
$2,200,000. 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 Girdwood Valley 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 7, 2020.

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

PROPOSITION NO. ____

GIRDWOOD VALLEY SERVICE AREA FACILITIES BONDS

For the purpose of building a new community building to replace Glacier City Hall and Little Bears facilities and making related capital improvements in the Girdwood Valley Service Area, as provided in AO 2020-___, shall Anchorage borrow money and issue up to $2,200,000 in principal amount of general obligation bonds?

Voter approval of this bond proposition authorizes for each $100,000 of assessed taxable property value (based on the estimated 2020 assessed valuation in the Girdwood Valley Service Area) an annual cost in taxes of approximately $28.70 to retire the proposed bonds. The proposed bonds will not increase the maximum attainable Girdwood Valley Service Area mill rate approved pursuant to AMC 27.30.020.
The debt is anticipated to be paid from real and personal property taxes levied and collected within the Girdwood Valley Service Area, without cost to properties in Anchorage, Chugiak, Eagle River and other areas outside the Service Area. The Municipality will also pledge its full faith and credit for payment of the debt.

☐ YES ☐ NO

Section 4. 2020 General Government Capital Improvement Budget (CIB). The 2020 General Government CIB was approved on November 19, 2019 by AO 2019-118 as Amended, and in accordance with AMC 6.10.045, the 2020 General Government CIB is hereby revised to include the changes as identified in the accompanying Assembly Memorandum and Exhibit A.

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 7, 2020. 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, 2020.

Chair

ATTEST:

Jennifer Venervason
Municipal Clerk

The ordinance will place a general obligation bond proposition for the Girdwood Valley Service Area on the ballot for the Municipal election to be held on April 7, 2020. The administration recommends scheduling a public hearing for this bond ordinance on January 28, 2020.

The 2020 General Government Capital Improvement Budget (CIB) was approved on November 19, 2019 by AO 2019-118, as Amended, and included anticipated fund appropriation for the Girdwood Valley Service Area in the bond amount of $2,200,000. This ordinance would also revise the 2020 General Government CIB to exclude O&M for the “Replace Glacier City Hall and Little Bears Facilities” project since it is considered a replacement project.

Please see the attached Project List, attached as Exhibit A.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE.

Prepared By: Ross Risvold, Public Finance Manager and Jessie Wei, Municipal Debt Officer

Approved By: Alexander Slivka, CFO
Concur: Lance Wilber, Director, Office of Management & Budget

Concur: Rebecca A. Windt Pearson, Municipal Attorney
Concur: William D. Falsey, Municipal Manager

Respectfully submitted: Ethan A. Berkowitz, Mayor
## Girdwood Valley Service Area
### 2020 Bond Project List

**Project** | **Amount**  | **O&M**<br>$0
---|---|---
Replace Glacier City Hall and Little Bears Facilities | $2,200 | $0
**Total** | **$2,200** | **$0**
MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects General Government

AO Number: 2020-1

Sponsor: Mayor
Preparing Agency: Finance
Others Impacted: Girdwood Valley Service Area

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

<table>
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<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
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<tr>
<td>Operating Expenditures</td>
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<td></td>
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<td></td>
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<tr>
<td>1000 Personal Services</td>
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<tr>
<td>2000 Supplies</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>
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ADD: 6000 Charge from Others

FUNCTION COST:

REVENUES:

CAPITAL:

POSITIONS: FT/PT and Temp.

PUBLIC SECTOR ECONOMIC EFFECTS:
Estimated annual debt service of $169,128 assumes bonds are sold as a package @ 4.5% interest, with bond repayments corresponding to the expected life of the assets financed up to 20 years.

PRIVATE SECTOR ECONOMIC EFFECTS:
Estimated annual debt service payments of approximately $169,128 equate to an estimated property tax cost of 0.2870 mills or $28.70 per year on $100,000 of assessed valuation in the Girdwood Valley Service Area.

The total private sector economic effect will not increase the maximum attainable mill rate approved by AMC 27.30.020.