

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Wohlforth, Vassar, Johnson
& Brecht
For Reading: January 22, 2002

MUNICIPALITY OF ANCHORAGE

ALASKA

ORDINANCE NO. AO 2002-23

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF THIRTY-FOUR MILLION SEVEN HUNDRED THIRTY THOUSAND AND NO/00 DOLLARS (\$34,730,000) 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 AN ELECTION IN AND FOR THE MUNICIPALITY OF ANCHORAGE ON APRIL 2, 2002.

THE ANCHORAGE ASSEMBLY HEREBY ORDAINS:

Section 1. It is hereby determined to be for a public purpose and in the public interest of the Municipality of Anchorage, Alaska (the Municipality) to incur general obligation bonded indebtedness in an amount not to exceed THIRTY-FOUR MILLION SEVEN HUNDRED THIRTY THOUSAND AND NO/00 DOLLARS (\$34,730,000) for the purpose of paying the costs of planning, designing, acquiring property for, equipping rehabilitating and constructing road improvements, roadway safety improvements, storm collection drainage and treatment improvements and related capital improvements within the Anchorage Roads and Drainage Service Area.

Section 2. The sum of not to exceed Thirty-Four Million Seven Hundred Thirty Thousand and no/00 Dollars (\$34,730,000) shall be borrowed by, for and on behalf of the Municipality for the aforesaid road, storm drainage and related capital improvements and shall be evidenced by the issuance of general obligation bonds of the Municipality. The bond proceeds shall be used only to pay for capital improvements and costs of issuance of the bonds. The full faith and credit of the Municipality is pledged for the payment of the

1 principal of and interest on the bonds, and ad valorem taxes upon all taxable property
2 within the Municipality shall be levied without limitation as to rate or amount to pay the
3 principal of and interest on the bonds when due. The principal of and interest on the bonds
4 are to be paid first from general ad valorem taxes levied and collected within the
5 Anchorage Roads and Drainage Service Area

6 Section 3. An election is to be held on April 2, 2002, in and for the Municipality, for
7 the purpose of submitting a general obligation bond proposition to the qualified voters of
8 the Municipality for approval or rejection. The proposition must receive a majority vote of
9 those in the Municipality voting on the question to be approved. The proposition shall be
10 substantially in the following form:

11 PROPOSITION NO

12 ANCHORAGE ROADS AND DRAINAGE SERVICE AREA ROAD,
13 STORM DRAINAGE AND RELATED CAPITAL IMPROVEMENT BONDS

14 Shall Anchorage borrow up to \$34,730,000 through the
15 issuance of general obligation bonds and increase the municipal tax cap by an annual amount not to exceed \$73,100? The
16 bond proceeds would pay costs of roadway improvements, roadway safety improvements, drainage collection, drainage
17 treatment and related capital improvements in the Anchorage Roads and Drainage Service Area and the increase in the
18 municipal tax cap would pay the associated annual operations and maintenance costs.

19 Voter approval of this bond proposition authorizes for each
20 \$100,000 of assessed taxable property value (based on the estimated 2002 assessed valuation in the Anchorage Roads
21 and Drainage Service Area): (i) an annual increase in taxes of approximately \$23.58 to retire the proposed bonds, and (ii) an
22 annual increase in the municipal tax cap (Charter 14.03(b)(2)) of approximately \$0.54 to pay for annual operations and
23 maintenance costs related to the proposed capital improvements.

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

26 (No. AO 2002-)

Section 4. 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. ____

Yes
No

Section 5. 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 general election on April 2, 2002. The remaining sections of this Ordinance shall become effective upon passage and approval.

PASSED AND APPROVED by the Assembly of Anchorage, Alaska, this ____ day of February 2002.

Chair

ATTEST:

Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2002- 23

Title: \$34,730,000- Anchorage Roads & Drainage Service Area G.O.
Bond Proposition

Sponsor:

Preparing Agency: Office of Management & Budget

Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)					
	FY02	FY03	FY04	FY05	FY06
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	-9	6	-4	13	73
4000 Debt Service	0	3,171	3,171	3,171	3,171
5000 Capital Outlay					
TOTAL DIRECT COSTS:	-9	3,177	3,167	3,184	3,244
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 \$3,170,600 assumes bonds are sold as a package @ 5.75% interest, with bond repayments corresponding to the expected life of the assets financed; 5, 12, 20 years.

When projects are completed and fully functioning, increased annual operations and maintenance costs are estimated at \$73,100.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately \$3,170,600 equate to an estimated property tax increase of .2358 mills or 23.58 per year on \$100,000 of assessed valuation in the Anchorage Roads & Drainage Service Area.

When fully operational, increased annual operations and maintenance costs are estimated at \$73,100 and equate to an estimated property tax increase of .0054 mills or \$.054 per year on \$100,000 of assessed valuation in the Anchorage Roads & Drainage Service Area.

The total private sector economic effect would 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 .2412 mills or \$24.12 per \$100,000 of assessed valuation in the Anchorage Roads & Drainage Service Area.

Prepared by: Bruce A. HolmesTelephone: 343-4479Validated by OMB: *Cheryl Frasca*Date: 1/25/02Approved by: *Cheryl Frasca*Date: 1/29/02

(Director, Preparing Agency)

Concurred by: _____

Date: _____

(Director, Impacted Agency)

Approved by: _____

Date: _____

(Municipal Manager)



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 160-2002

Meeting Date: February 12, 2002

From: Mayor

Subject: AO 2002-23: \$34,730,000 Anchorage Roads and Drainage Service Area Bond Proposition - April 2, 2002 Election

The attached ordinance, on approval, will place a \$34,730,000 general obligation bond proposition for the Anchorage Roads and Drainage Service Area (ARDSA) on the ballot for the regular Municipal election to be held on April 2, 2002. The ordinance represents general obligation bond funding reflected in the Approved 2002 General Government Capital Improvement Budget with the following exceptions:

Project	2002 CIB	Bond Proposal
Muldoon Town Center ROW Acquisition	\$ 0	\$2,600,000
Aero Drive-W. 40 th Ext.	\$1,900,000	\$ 100,000
Kloop Maint. Station Water Quality & Facility Improvements	\$1,500,000	\$1,200,000
Denali Street Reconstruction	\$5,800,000	\$5,600,000
Recycled Asphalt Pavement Upgrades	\$1,500,000	\$1,200,000

The Administration recommends scheduling a public hearing for this bond ordinance on February 5, 2002.

The bond, as proposed, would finance roads and drainage projects that will help reduce maintenance costs, improve vehicular/pedestrian safety, and rehabilitate the road and drainage system.

THE ADMINISTRATION RECOMMENDS THAT THE MUNICIPAL ASSEMBLY APPROVE THE PROPOSED ORDINANCE PLACING THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA BOND PROPOSITION ON THE APRIL 2, 2002 BALLOT.

Concurrence:

Harry J. Kieling, Jr.
Municipal Manager

Respectfully submitted

George Wuerch
Mayor

Prepared by:

Tim Rogers
Capital Budget Officer

Concurrence

Kate Giard
Chief Fiscal Officer

AO 2002-23

Municipality of Anchorage
MUNICIPAL CLERK'S OFFICE
Agenda Document Control Sheet

An 2002-23

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

1	SUBJECT OF AGENDA DOCUMENT APRIL 2002 ANCHORAGE ROADS AND DRAINAGE BOND ORDINANCE - <i>AO 2002-23</i>	DATE PREPARED January 29, 2002	
		Indicate Documents Attached <input checked="" type="checkbox"/> AO <input type="checkbox"/> AR <input checked="" type="checkbox"/> AM <input type="checkbox"/> AIM	
2	DEPARTMENT NAME Office of Management & Budget	DIRECTOR'S NAME Cheryl Frasca	
3	THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY Bruce Holmes	HIS/HER PHONE NUMBER 343-4479	
4	COORDINATED WITH AND REVIEWED BY	INITIALS	DATE
X	Mayor		
	Heritage Land Bank		
	Merrill Field Airport		
	Municipal Light & Power		
	Port of Anchorage		
	Solid Waste Services		
	Water & Wastewater Utility		
X	Municipal Manager	<i>m</i>	<i>2/1</i>
	Cultural & Recreational Services		
	Employee Relations		
X	Finance, Chief Fiscal Officer ✓	<i>[Signature]</i>	<i>1/30/02</i>
	Fire		
	Health & Human Services		
X	Office of Management and Budget	<i>CF</i>	<i>1/29/02</i>
	Management Information Services		
	Police		
X	Planning, Development & Public Works		
	Development Services		
	Facility Management		
	Planning		
	Project Management & Engineering		
	Street Maintenance		
	Traffic		
	Public Transportation Department		
	Purchasing		
X	Municipal Attorney <i>1045</i>	<i>[Signature]</i>	<i>1/30/02</i>
	Municipal Clerk		
	Other		
5	Special Instructions/Comments		
6	ASSEMBLY HEARING DATE REQUESTED January 22, 2002	7	PUBLIC HEARING DATE REQUESTED February 5, 2002

2002 JAN 32 AM 9:24
 M.D.A.
 CLERK'S OFFICE