	Submitted by:	Chairman of the Assembly at the Request of the Mayor
CLERK'S OFFICE APPROVED	Prepared by:	Wohlforth, Vassar, Johnson & Brecht
Date: 4-22-03	For Reading:	April 8, 2003

MUNICIPALITY OF ANCHORAGE

ORDINANCE NO. AO 2003-65

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED $25,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF TAX ANTICIPATION NOTES OF THE MUNICIPALITY; FIXING CERTAIN DETAILS OF SAID NOTES; PROVIDING FOR THE FORM AND MANNER OF SALE OF SAID NOTES; PLEDGING THE RECEIPTS FROM AD VALOREM PROPERTY TAXES TO BE LEVIED DURING YEAR 2003 AND THE FULL FAITH AND CREDIT OF THE MUNICIPALITY TO THE PAYMENT THEREOF; AUTHORIZING THE CHIEF FISCAL OFFICER TO NEGOTIATE AND EXECUTE A CONTRACT FOR THE PURCHASE AND SALE OF SAID NOTES; AND RELATED MATTERS.

WHEREAS, the Municipality of Anchorage, Alaska (the "Municipality") levies ad valorem taxes on real and personal property on an annual basis with payment thereof allowed to be made in installments; and

WHEREAS, the Municipality requires funds to meet on-going expenses until receipt of sufficient money from the payment of ad valorem property taxes to be levied in 2003 and from other revenue sources, and desires to borrow such funds and to issue its tax anticipation notes for this purpose; and

WHEREAS, Alaska Statutes, Title 29.47.010 - .040 and Article XV of the Home Rule Charter of the Municipality provide for the borrowing of money by the Municipality in anticipation of tax revenues; and

WHEREAS, the Home Rule Charter of the Municipality provides in Section 15.03 that the Assembly by ordinance shall provide for the form and manner of sale of bonds and notes including reasonable limitation upon the sale of bonds and notes to financial consultants of the Municipality; and

WHEREAS, the Assembly does herein determine that it is necessary and advisable and in the best interest of the Municipality and its inhabitants that tax anticipation notes in an amount not to exceed $25,000,000 be issued at this time for the purpose of raising funds to pay on-going expenses of the Municipality until sufficient money from receipt of year 2003 ad valorem property taxes and from other revenue sources is available.

NOW, THEREFORE, THE MUNICIPALITY OF ANCHORAGE ORDAINS:

Section 1. Purpose. The purpose of this Ordinance is to authorize the issuance and sale of not to exceed $25,000,000 of tax anticipation notes to provide funds to pay the on-going expenses of the Municipality until sufficient funds from receipt of year 2003 ad valorem property taxes and from other revenue sources are available, to provide for original issue discount or premium, if any, to pay the costs of issuance of the tax anticipation notes authorized herein, and to fix certain details of said notes to be issued.

Section 2. Definitions. The following terms shall have the following meanings in this Ordinance:

(a) "Assembly" means the Municipal Assembly of the Municipality, as the general legislative authority of the Municipality established pursuant to its Home Rule Charter, as the same shall be duly and regularly constituted from time to time.

(b) "Beneficial Owner" means either the person in whose name a Note is recorded as the beneficial owner of such Note by the respective systems of DTC Participants, or if the Note is not then registered in the name of Cede & Co. and held in the Book-Entry System, the registered owner of the Note.

(c) "Code" means the Internal Revenue Code of 1986, as amended from time to time, together with all regulations effective or promulgated and applicable thereto.

(d) "Commission" means the Securities and Exchange Commission.

(e) "DTC" means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Notes pursuant to Section 6 hereof, and the term DTC shall include any corporate successor thereto.

(f) "Letter of Representations" means the Blanket Issuer Letter of Representations from the Municipality to DTC dated July 1, 1995, including DTC's Operational Arrangements referenced in said letter, as they may be amended from time to time.

(g) "Municipality" means the Municipality of Anchorage created upon ratification of the Home Rule Charter after the election thereon held on September 9, 1975, and the successor thereunder to the City of Anchorage, the City of Glen Alps, the City of Girdwood and the Greater Anchorage Area Borough, former municipal corporations of the State of Alaska.

(h) "Note" or "Notes" means any of the Municipality's 2003 General Obligation Tax Anticipation Notes, the issuance and sale of which are authorized herein.

(i) "Note Register" means the registration books maintained by the Paying Agent (as Note Registrar), as agent of the Municipality, which include the names and addresses of the owners or nominees of the owners of the Notes.

(j) "Ordinance" means this Ordinance of the Municipality.

(k) "Paying Agent" means U.S. Bank National Association, Seattle, Washington, or its successors. The Paying Agent shall also act as Note Registrar pursuant to Section 11 hereof.

Section 3. Authority for Ordinance. The Municipality has ascertained and hereby determines that each and every matter and thing as to which provision is made in this Ordinance is necessary in order to carry out and effectuate the purposes of the Municipality in accordance with the Constitution and statutes of the State of Alaska and the Home Rule Charter of the Municipality, and to incur the indebtedness and issue the Notes.

Section 4. Obligation of Notes; Pledge. The receipts of the Municipality from the payment of ad valorem property taxes levied by the Municipality in year 2003 are hereby pledged to the payment of the principal of and interest on the Notes. In addition, the Notes shall be direct and general obligations of the Municipality and the full faith and credit of the

Municipality are hereby pledged to the payment of the principal of and interest on the Notes. The Municipality hereby irrevocably pledges and covenants that it will levy and collect taxes upon all taxable property within the Municipality without limitation as to rate or amount, in amounts sufficient, together with other funds legally available therefor, to pay the principal of and interest on the Notes as the same become due and payable.

Section 5. Authorization of Notes and Purpose of Issuance. For the purpose of providing the funds required to pay the on-going expenses of the Municipality until sufficient funds from the receipt of year 2003 ad valorem property taxes and from other revenue sources are available, to provide for original issue discount or premium, if any, and to pay all costs incidental to the issuance of the Notes, the Municipality hereby authorizes and determines to issue and sell the Notes in the aggregate principal amount of not to exceed $25,000,000 as determined by the Chief Fiscal Officer pursuant to Section 18 of this Ordinance.

Section 6. Designation, Rates, Maturities, Payment Dates and Form of Notes. The Notes shall be designated "Municipality of Anchorage, Alaska, 2003 General Obligation Tax Anticipation Notes," shall be dated the date of delivery, and shall mature on a date which is not more than one year from the date of delivery as established by the Chief Fiscal Officer pursuant to Section 18 of this Ordinance.

The Notes shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from their date payable at the maturity thereof at the rate per annum fixed and determined by the Chief Fiscal Officer pursuant to Section 18 of this Ordinance.

The Notes shall be registered as to principal and interest as herein provided. The Notes shall each be of the denomination of One Hundred Thousand Dollars ($100,000) or any integral multiple thereof. Each Note shall bear a number or letter, or a number and letter, distinguishing it from every other Note in the manner and with such additional designation as the Paying Agent deems necessary for purposes of identification. The Notes may be delivered with the aggregate principal amount represented by one Note, in typewritten, printed, or lithographed form. The Notes shall be substantially in the form hereinafter set forth, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

In order to induce DTC to accept the Notes as eligible for deposit at DTC, the Municipality has executed and delivered the Letter of Representations which has been accepted by DTC. The Notes initially issued shall be available for purchase only through brokers and dealers, who must be or act through participants in DTC, shall be held in fully immobilized form by DTC acting as depository pursuant to the terms and conditions set forth in the Letter of Representations, shall be issued in a denomination equal to the aggregate principal amount of the Notes and shall initially be registered in the name of Cede & Co., as the nominee of DTC.

Neither the Municipality nor the Paying Agent will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Notes in respect to the accuracy of any records maintained by DTC or any DTC participant, the payment by DTC or any DTC participant of any amount in respect of the principal of or interest on the Notes, any notice which is permitted or required to be given to owners of the Notes under this Ordinance (except such notices as shall be required to be given by the Municipality to the Paying Agent or to DTC) or any consent given or other action taken by DTC as the owner of the Notes. For so long as any Notes are held in fully immobilized form hereunder, DTC or its successor depository shall be deemed to be the owner of the Notes for all purposes hereunder, and all references herein to the owner of the Notes or similar terms shall mean DTC or its nominee and shall not mean the owners of any beneficial interest in the Notes.

Section 7. Additional Details of Notes. Each of the Notes shall be signed by the manual or facsimile signature of the Mayor or the Municipal Manager and the official seal of the Municipality (or a facsimile thereof) shall be affixed, imprinted or otherwise reproduced on the Note and attested by the manual or facsimile signature of the Municipal Clerk or the Deputy Municipal Clerk. In case any officer whose signature or facsimile of whose signature shall appear on any Note shall cease to be such officer before the delivery of such Note, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until such delivery.

The Notes shall contain a certificate of the Paying Agent in the following form:

PAYING AGENT'S CERTIFICATE
OF AUTHENTICATION

This Note is one of the Municipality of Anchorage, Alaska, 2003 General Obligation Tax Anticipation Notes described in and issued pursuant to the within mentioned Ordinance.

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent

Date of Authentication:

_______________________ By_______________________________
Authorized Agent

The principal and the interest on the Notes shall be payable in any coin or currency of the United States of America which, at the date of payment thereof, is legal tender for the payment of public and private debts.

For so long as all outstanding Notes are held in fully immobilized form by DTC and are registered in the name of Cede & Co. or its registered assigns, payment of principal and interest thereon shall be made as provided in the Letter of Representations.

In the event that the Notes are no longer held in fully immobilized form by DTC and registered in the name of Cede & Co. or its registered assigns, the principal and interest on the Notes shall be payable at maturity of the Notes upon presentment of the Notes at the corporate trust office designated by the Paying Agent.

Section 8. Redemption of Notes. The Notes are not subject to redemption by or on behalf of the Municipality prior to their scheduled maturity.

Section 9. Form of Note. Each Note shall be in substantially the following form, with such variations, omissions and insertions as may be required or permitted by this Ordinance:

UNITED STATES OF AMERICA
STATE OF ALASKA

MUNICIPALITY OF ANCHORAGE
(A Municipal Corporation of the State of Alaska)

NO. $

2003 GENERAL OBLIGATION TAX ANTICIPATION NOTE

INTEREST RATE %   MATURITY DATE   CUSIP NO.

Registered Owner: CEDE & Co.

Principal Amount:

The Municipality of Anchorage, a municipal corporation of the State of Alaska (the "Municipality"), for value received, acknowledges itself indebted and hereby promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, upon presentation and surrender hereof, the Principal Amount shown above, and to pay interest on such principal sum from the date hereof until its obligation with respect to the payment of such principal sum shall be discharged, at the Interest Rate per annum shown above, calculated on the basis of a 360-day year composed of twelve 30-day months, payable on the Maturity Date identified above. The principal and interest of this Note shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Principal and interest shall be paid to the Registered Owner or assigns upon presentation and surrender of this Note at the corporate trust office designated by U.S. Bank National Association (hereinafter called the "Paying Agent"), or its successors. Notwithstanding the foregoing, if this Note is held in fully immobilized form, payment of principal and interest shall be paid as provided in The Depository Trust Company's Operational Arrangements Guidelines, as amended from time to time (the "Guidelines").

This Note is the single Note initially issued of the 2003 General Obligation Tax Anticipation Notes of the Municipality, aggregating $__________ in principal amount, and constituting Notes authorized for the purpose of providing funds to pay the on-going expenses of the Municipality until sufficient funds from the receipt of 2003 ad valorem property taxes and from other revenue sources are available and is issued pursuant to Ordinance No. AO 2003-65 of the Municipality entitled:

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED $25,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF TAX ANTICIPATION NOTES OF THE MUNICIPALITY; FIXING CERTAIN DETAILS OF SAID NOTES; PROVIDING FOR THE FORM AND MANNER OF SALE OF SAID NOTES; PLEDGING THE RECEIPTS FROM AD VALOREM PROPERTY TAXES TO BE LEVIED DURING 2003 AND THE FULL FAITH AND CREDIT OF THE MUNICIPALITY TO THE PAYMENT THEREOF; AUTHORIZING THE CHIEF FISCAL OFFICER TO NEGOTIATE AND EXECUTE A CONTRACT FOR THE PURCHASE AND SALE OF SAID NOTES; AND RELATED MATTERS.

(herein, called the "Ordinance").

The Notes are not subject to redemption prior to their scheduled maturity.

This Note is transferable as provided in the Ordinance and the Guidelines. The Municipality and the Paying Agent may treat and consider the person in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal of and interest due hereon and for all other purposes whatsoever.

The receipts of the Municipality from the payment of ad valorem property taxes levied by the Municipality in 2003 are pledged to the payment of the principal of and interest on this Note. This Note is a general obligation of the Municipality and the full faith and credit of the Municipality are pledged for the payment of the principal of and interest on this Note. The Municipality hereby irrevocably pledges and covenants that it will levy and collect taxes upon all taxable property within the Municipality without limitation as to rate or amount, in amounts sufficient, together with other funds legally available therefor, to pay the principal of and interest on the Notes as the same become due and payable.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, or things required by the Constitution or statutes of the State of Alaska and the Home Rule Charter of the Municipality to exist, to have happened or to have been performed precedent to or in the issuance of this Note, exist, have happened and have been performed, and that the series of Notes of which this is one, together with all other indebtedness of the Municipality, is within every debt and other limit prescribed by said Constitution, statutes or Charter.

IN WITNESS WHEREOF, THE MUNICIPALITY OF ANCHORAGE, ALASKA, has caused this Note to be signed in its name and on its behalf by the signature of its Municipal

Manager and its corporate seal to be hereunto affixed, imprinted or otherwise reproduced and attested by the signature of its Clerk, all as of the ___ day of _________, 2003.

____
HARRY J. KIELING, JR.
Municipal Manager

[S E A L]

A T T E S T:

____
LINDA HEIM
Acting Municipal Clerk

In the event the Notes are not or are no longer registered in the name of Cede & Co., or its assigns, the form of the Notes may be modified to conform to printing requirements and the terms of this Ordinance.

Section 10. Application of Note Proceeds. The proceeds of the sale of the Notes shall be deposited in the "2003 General Obligation Tax Anticipation Note Fund" which is hereby created, and shall be used and applied to pay the on-going expenses of the Municipality until sufficient funds from the receipt of 2003 ad valorem property taxes and from other revenue sources are available.

Section 11. Paying Agent and Note Registrar. (a) U.S. Bank National Association, Seattle, Washington, is hereby appointed Paying Agent for the Notes and the term "Paying Agent" shall include any successor or successors thereto. Any company into which the Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, provided such company shall be a bank or trust company organized under the laws of the United States of America or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Ordinance, shall be the successor to the Paying Agent without the execution or filing of any paper or the performance of any further act. The form of the Paying Agent/Registrar Agreement, on file with the Municipal Clerk, is hereby approved and its execution by the Chief Fiscal Officer on behalf of the Municipality with such changes as may hereafter be approved by him is hereby authorized.

The Paying Agent, as Note Registrar, shall maintain a Note Register which shall include the names and addresses of the owners or nominees of the owners of the Notes and which shall provide for the registration, transfer and exchange of Notes. The Municipality covenants that, until all Notes have been surrendered and canceled, it will maintain a system for recording the ownership of each Note that complies with the provisions of Section 149 of the Code.

The Paying Agent may become the owner of or may deal in Notes as fully and with the same rights as if it were not the Paying Agent.

(b) Concerning the use of DTC,

(1) The Notes shall be registered initially in the name of "Cede & Co.", as nominee of DTC, as a single Note in a denomination corresponding to the total principal amount of the Notes. Registered ownership of such immobilized Notes, or any portions thereof, may not thereafter be transferred except (i) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (ii) to any substitute depository appointed by the Municipality pursuant to (2) below or such substitute depository's successor; or (iii) to any person as provided in (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Assembly that it is no longer in the best interest of owners of beneficial interests in the Notes to continue the system of book-entry transfers through DTC or its successor (or any substitute depository or its successor), the Municipality may thereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to

provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (i) or (ii) of (1) above, the Paying Agent shall, upon receipt of the outstanding Note, together with a written request on behalf of the Municipality, issue a single new Note registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Municipality.

(4) In the event that (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository and no substitute depository can be obtained, or (ii) the Municipality determines that it is in the best interest of the beneficial owners of the Notes that they be able to obtain Note certificates, the ownership of Notes may then be transferred to any person or entity as herein provided and the Notes shall no longer be held in fully immobilized form. The Municipality shall deliver a written request to the Paying Agent, together with a supply of definitive Notes, to issue Notes as herein provided in any authorized denomination. Upon receipt of all then outstanding Notes by the Paying Agent, together with a written request on behalf of the Municipality to the Paying Agent, new Notes shall be issued in such denominations and registered in the names of such persons as are requested in such written request.

Section 12. <u>Mutilated, Destroyed, Stolen or Lost Notes</u>. In case any Note shall become mutilated or be destroyed, stolen or lost, the Municipality may cause to be executed, and shall deliver, a new Note of like principal amount and interest rate in exchange and substitution for and upon cancellation of such mutilated Note, or in lieu of and in substitution for such Note destroyed, stolen or lost, in each case upon the registered owner thereof paying the reasonable expenses and charges of the Municipality and the Paying Agent in connection therewith and in the case of a Note destroyed, stolen or lost, filing by the owner with the Paying Agent evidence satisfactory to the Paying Agent and the Municipality that such Note was destroyed, stolen or lost and the owner's ownership thereof, and furnishing the Municipality and the Paying Agent with indemnity satisfactory to them. Any new Note so delivered may bear a number differing from the number of the Note it replaces.

Section 13. Transfer of Notes and Delivery of New Notes. If the Notes are no longer held in book-entry form, any Note may be transferred only upon the books kept for the registration and transfer of Notes by the Paying Agent, as Note Registrar, upon surrender thereof at the corporate trust office designated by the Paying Agent, together with an assignment duly executed by the registered owner or the registered owner's attorney in such form as shall be satisfactory to the Paying Agent. Upon the transfer of any such Note, there shall be executed in the name of the transferee, and the Municipality shall cause to be authenticated and delivered, a new registered Note or Notes of the same aggregate principal amount and the same interest rate in any of the authorized denominations.

In all cases in which Notes may be transferred under this Ordinance, there shall be executed, and the Municipality shall authenticate and deliver, Notes in accordance with the provisions of this Ordinance. Any such transfer shall be without cost to the registered owner, except that the Municipality and the Paying Agent may make a charge for every such registration, exchange or transfer of Notes sufficient to reimburse them for any tax, fee or other governmental charge required to be paid with respect to such registration, exchange or transfer, and such charge or charges shall be paid before any such new Note shall be delivered.

Section 14. Ownership of Notes. As to any Note, the person in whose name the same shall be registered on the Note Register shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of such Note and the interest on such Note shall be made only to or upon the order of the registered owner thereof or the owner's legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note, including the interest thereon, to the extent of the sum or sums so paid.

The Notes shall be uncertificated securities to the extent provided by Alaska Statutes, Chapter 45.08. The Municipality and the Paying Agent shall be entitled to treat the person in whose name any Note is registered as the absolute owner thereof for all purposes of this Ordinance and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the Municipality. Neither the Municipality nor the Paying Agent will have any responsibility or obligation, legal or otherwise, to any other party, except to the owners of the Notes.

Section 15. Repayment Fund. There is hereby created the "2003 General Obligation Tax Anticipation Note Repayment Fund," the money in which shall be invested in obligations of, or obligations insured or guaranteed by, the United States or an agency or instrumentality of the United States, held for the benefit of the registered owners of the Notes and used on the maturity date of the Notes, to the extent necessary, to pay the principal of and interest on the Notes. The Municipality hereby covenants to pay into said Fund on or before the first day of each of the six months preceding the maturity date of the Notes an amount which is not less than one-sixth of the principal and interest due on maturity of the Notes. Whenever the total of the money deposited in said Fund, together with the earnings from the investment thereof, shall exceed the amount needed to pay in full the principal of and interest on the Notes at maturity, such excess shall be transferred to the general fund of the Municipality.

Section 16. Arbitrage Covenant. The Municipality covenants with the registered owners of all Notes at any time outstanding that it will make no use of the proceeds of the Notes which will cause the Notes to be "arbitrage bonds" subject to federal income taxation by reason of Section 148 of the Code. To that end, so long as any of the Notes are outstanding, the Municipality, with respect to the proceeds of the Notes, shall comply with all requirements of said Section 148 and of all regulations of the United States Department of Treasury issued thereunder, to the extent that such requirements are, at the time, applicable and in effect.

As part of the performance of this covenant, within 25 days of the end of the six-month period beginning on the date of delivery of the Notes, the Municipality will perform such calculations as are necessary to determine whether or not the Municipality has met the "safe harbor" requirements of Section 148(f)(4)(B)(iii) of the Code with respect to the Notes and, if it has not met such safe harbor requirements, it will, within 45 days after the retirement of the Notes, calculate the amount, if any, of investment profits that must be rebated to the United States, and will pay to the United States the amount of any such investment profit within 60 days of retirement of the Notes.

Section 17. Compliance with Code. The Municipality hereby covenants to comply with any and all applicable requirements set forth in the Code in effect from time to time to the extent that such compliance shall be necessary for the exemption from federal income taxes of the interest on the Notes. The Municipality hereby further covenants to observe any and all applicable requirements in any future federal tax legislation to the extent that such compliance is determined by the Municipality to be legal and practicable and required for such exemption.

Section 18. Sale of Notes, Final Terms, Approval of Official Statement. The Notes shall be sold at negotiated sale to the Underwriter (as defined below). The Chief Fiscal Officer, with the assistance of the Financial Advisor (as defined below), is hereby authorized to negotiate terms for the purchase of not to exceed Twenty-Five Million Dollars ($25,000,000) in principal amount of the Notes by George K. Baum & Company (the "Underwriter"), and is further authorized to execute a contract with the Underwriter for the purchase of the Notes which is in the best interest of the Municipality.

The Municipality has been advised by its financial advisor, UBS PaineWebber Inc. (the "Financial Advisor"), that market conditions continue to fluctuate and, as a result, the most favorable market conditions may occur on a day other than a regular meeting date of the Assembly. The Assembly has determined that it would be inconvenient, perhaps impossible, to hold a special meeting on short notice and, accordingly, has determined that it would be in the best interest of the Municipality to delegate to the Chief Fiscal Officer for a limited time the authority to approve certain details of the Notes including the delivery date, the total principal amount to be sold, the purchase price, the maturity date and the interest rate. The interest rate for the Notes shall be determined by agreement among the Underwriter, the Financial Advisor and the Chief Fiscal Officer, shall take into account those factors which, in their judgment, will result in the lowest net effective interest cost on the Notes, and shall be set forth as an exhibit to the Purchase Contract for the Notes.

The Chief Fiscal Officer is hereby authorized to execute the final form of the Purchase Contract with the Underwriter for the Notes upon her approval of the details of the Notes including the delivery date, the total principal amount, the maturity date, the interest rate per annum and the true interest cost on the Notes. The authority granted to the Chief Fiscal Officer or the acting Chief Fiscal Officer by this Section shall expire on May 31, 2003. If the terms of the Notes have not been approved by the Chief Fiscal Officer in accordance with the delegated authority of this Section by said date, the Notes shall be sold in the manner provided in the following paragraph.

The Chief Fiscal Officer is hereby authorized to solicit an offer or offers for the purchase of the Notes from a qualified and selected underwriter or underwriters in such manner as she deems appropriate, and thereafter to negotiate a contract for the purchase of the Notes which is in the best interest of the Municipality, said contract or contracts to be approved by the Assembly by resolution.

The Chief Fiscal Officer is authorized to review and to approve, on behalf of the

Municipality, the Preliminary Official Statement and Official Statement relating to the issuance and sale of the Notes with such changes, if any, as may be deemed by her to be appropriate.

Section 19. Authority of Officers. The Mayor, the Municipal Manager, the Chief Fiscal Officer, the Municipal Clerk and the acting Municipal Clerk from time to time, are, and each of them hereby is, authorized and directed to do and perform all things and determine all matters not determined by this Ordinance, or to be determined by a subsequent ordinance or resolution of the Municipality, to the end that the Municipality may carry out its obligations under the Notes and this Ordinance. The proper officials of the Municipality are authorized and directed to execute all documents and to do everything necessary for the preparation and delivery of a transcript of proceedings pertaining to the Notes and the preparation, authentication and delivery of the single initial Note in definitive form to DTC on behalf of the purchasers thereof.

Section 20. Amendatory and Supplemental Ordinances. (a) The Assembly from time to time and at any time may adopt an ordinance or ordinances supplemental hereto, which ordinance or ordinances thereafter shall become a part of this Ordinance, for any one or more of the following purposes:

(1) To add to the covenants and agreements of the Municipality in this Ordinance contained, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the Municipality.

(2) To make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this Ordinance or in regard to matters or questions arising under this Ordinance as the Assembly may deem necessary or desirable and not inconsistent with this Ordinance and which shall not adversely affect the interests of the registered

owners of the Notes.

Any such supplemental ordinance of the Assembly may be adopted without the consent of the registered owner of any of the Notes at any time outstanding, notwithstanding any of the provisions of subsection (b) of this Section.

(b) With the consent of the registered owners of not less than 60% in aggregate principal amount of the Notes at the time outstanding, the Assembly may adopt an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Ordinance or of any supplemental ordinance; provided, however, that no such supplemental ordinance shall:

(1) Extend the fixed maturity of the Notes, or reduce the rate of interest thereon, or extend the time of payment of interest from its due date, or reduce the amount of the principal thereof, without the consent of the owner of each Note so affected; or

(2) Reduce the aforesaid percentage of owners of Notes required to approve any such supplemental ordinance without the consent of the owners of all of the Notes then outstanding.

It shall not be necessary for the consent of the owners of the Notes under this subsection to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent approves the substance thereof.

(c) Upon the adoption of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the Municipality under this Ordinance and all owners of Notes outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendment, and all the terms and conditions of any such supplemental ordinance shall be deemed to be part of the terms and conditions of this Ordinance for any and all purposes.

(d) Notes executed and delivered after the execution of any supplemental ordinance adopted pursuant to the provisions of this Section may bear a notation as to any matter provided for in such supplemental ordinance, and if such supplemental ordinance shall so provide, new Notes so modified so as to conform, in the opinion of the Municipality, to any modification of this Ordinance contained in any such supplemental ordinance may be prepared by the Municipality and delivered without cost to the registered owners of the Notes then outstanding, upon surrender for cancellation of such Notes in equal aggregate principal amounts.

Section 21. Prohibited Sale of Notes. No person, firm or corporation, or any agent or employee thereof, acting as financial consultant to the Municipality under an agreement for payment in connection with the sale of the Notes is eligible to purchase the Notes as a member of the original underwriting syndicate either at public or private sale.

Section 22. Miscellaneous. No recourse shall be had for the payment of the principal of or the interest on the Notes or for any claim based thereon or on this Ordinance against any member of the Assembly or officer of the Municipality or any person executing the Notes. The Notes are not and shall not be in any way a debt or liability of the State of Alaska or of any political subdivision thereof, except the Municipality, and do not and shall not create or constitute an indebtedness or obligation, either legal, moral or otherwise, of said State or of any political subdivision thereof, except the Municipality.

Section 23. Severability. If any one or more of the covenants and agreements provided in this Ordinance to be performed on the part of the Municipality shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Ordinance and shall in no way affect the validity of the other provisions of this Ordinance or of the Notes.

Section 24. Effective Date. This Ordinance shall take effect immediately.

PASSED AND APPROVED by the Anchorage Assembly, this 22nd day of April 2003.

Chairman

ATTEST:

Acting Municipal Clerk

Municipality of Anchorage

ASSEMBLY MEMORANDUM

No. AM 299-2003

Meeting Date: April 8, 2003

FROM: Mayor

SUBJECT: AO 2003-65 AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED $25,000,000 IN TAX ANTICIPATION NOTES

AR 2003-65 for the issuance of not to exceed $25,000,000 in aggregate principle amount of tax anticipation notes of the Municipality; fixing certain details of said notes; providing for the form and manner sale of said notes; pledging the receipts from ad valorem property taxes to be levied during 2003 and the full faith and credit of the Municipality to the payment thereof; authorizing the Chief Fiscal Officer to negotiate and execute a contract for the purchase and sale of said notes; and related matters.

Background:

AWWU is in the middle of a multi-year capital improvement program funded to date from the MOA cash pool. To allow continuation of AWWU's capital improvements and provide for replenishment of the MOA cash pool, tax anticipation notes are being issued. The tax anticipation notes are necessary to provide interim financing, allowing the capital improvement program to continue without interruption caused by lack of funds.

We are making progress toward a revenue bond to permanently fund AWWU's capital improvements, however, do not anticipate closure before funds expire. Due to this uncertainty we feel compelled to provide interim financing by issuing tax anticipation notes. All cost of issuance and interest cost will be paid by AWWU.

THE ADMINISTRATION RECOMMENDS APPROVAL OF AO 2003-65.

Recommended by:

Tony Price
Senior Finance Officer

Concur:

Kate Giard
Chief Fiscal Officer

Concur:

Harry J. Kieling, Jr.
Municipal Manager

Concur:

FOR Mark Premo
General Manager, AWWU

Respectfully submitted:

George P. Wuerch
Mayor

Municipality of Anchorage
MUNICIPAL CLERK'S OFFICE

Agenda Document Control Sheet

AO 2003-65

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

1	SUBJECT OF AGENDA DOCUMENT AO 2003-65 AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED $25,000,000 IN TAX ANTICIPATION NOTES	DATE PREPARED 4/1/03 Indicate Documents Attached [ ] AO [ ] AR [X] AM [ ] AIM
2	DEPARTMENT NAME Finance	DIRECTOR'S NAME Kate Giard
3	THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY Tony Price, Senior Finance Officer	HIS/HER PHONE NUMBER 343-6610

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		
X	Water & Wastewater Utility	[signature]	4/3/03
X	**Municipal Manager**	[signature]	4/4
	Cultural & Recreational Services		
	Employee Relations		
X	Finance, Chief Fiscal Officer	[signature]	4/4/03
	Fire		
	Health & Human Services		
	Office of Management and Budget		
	Management Information Services		
	Police		
	Planning, Development & Public Works		
	Development Services		
	Facility Management		
	Planning		
	Project Management & Engineering		
	Street Maintenance		
	Traffic		
	Public Transportation Department		
	Purchasing		
	Municipal Attorney		
	Municipal Clerk		
	Other		

5 **Special Instructions/Comments**

AO 2003-65

2003 APR -4 PM 2:57

6	ASSEMBLY HEARING DATE REQUESTED 4/8/03 ~~APR 1 5 2003~~	7	PUBLIC HEARING DATE REQUESTED 4/22/03