MUNICIPALITY OF ANCHORAGE

ORDINANCE NO. AO 2007-28


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 the acquire, construct and equip various park improvements, recreational facilities, and related capital improvements; and

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

AM 98-2007
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 MUNICIPALITY OF ANCHORAGE ORDAINS:

Section 1. Purpose. The Assembly hereby determines that the parks and recreation facilities within the Anchorage Parks and Recreation Service Area are in need of improvement, renewal and renovation (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 $4,995,000.

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 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 Four Million Nine Hundred Ninety-Five Thousand Dollars ($4,995,000) (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 20 years from date of issue. The Bonds shall be issued in an aggregate principal amount of not to exceed $4,995,000. 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 electors
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 3, 2007.

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, protect water quality in creeks and
streams, upgrade, construct and equip parks, provide playground
and family recreation areas and recreational facilities, shall
Anchorage borrow money by issuing bonds in principal amount
not to exceed $4,995,000 and increase the municipal tax cap by an
amount up to $450,000 to pay for associated annual operations and
maintenance costs? The proposed capital improvements would be
located within the Anchorage Parks and Recreation Service Area.
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 Chugiak/Eagle River taxpayers. 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.

Voter approval of this bond proposition authorizes for each
$100,000 of assessed taxable property value (based on the
estimated total 2007 assessed valuation in the Anchorage Parks
and Recreation Service Area): (i) an annual increase in taxes of
approximately $1.62 to retire the proposed bonds, and (ii) an
annual increase in the municipal tax cap (Charter 14.03(b)(2)) of
approximately $1.78 to pay for annual operation and maintenance
costs related to the proposed capital improvements.

(No. AO 2007-__)

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 3, 2007. The remaining sections of this ordinance shall become effective upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly, this 13th day of February, 2007

[Signature]  
Chair

ATTEST:

[Signature]  
Municipal Clerk
MUNICIPALITY OF ANCHORAGE

ORDINANCE NO. AO 2007-28


Prepared by

K&L PRESTON GATES ELLIS LLP
MUNICIPALITY OF ANCHORAGE

ORDINANCE NO. AO 2007-28

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<td>2</td>
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<td>Details of Bonds</td>
<td>3</td>
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<tr>
<td>Section 3</td>
<td>Ballot Proposition</td>
<td>4</td>
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<td>Section 4</td>
<td>Submission of Question to Voters</td>
<td>5</td>
</tr>
<tr>
<td>Section 5</td>
<td>Effective Dates</td>
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</table>
**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects - General Government**

AO Number: 2007-28  
Title: $4,995,000 - Anchorage Parks & Recreation Service Area  
Sponsor:  
Preparing Agency: Public Finance and Investments  
Others Impacted:  

<table>
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<th>CHANGES IN EXPENDITURES AND REVENUES:</th>
<th>(Thousands of Dollars)</th>
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<tr>
<td></td>
<td>FY07</td>
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<tr>
<td>Operating Expenditures</td>
<td></td>
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<tr>
<td>1000 Personal Services</td>
<td></td>
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<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  
LESS: 7000 Charge to Others  

**FUNCTION COST:**  

**REVENUES:**  

**CAPITAL:**  

**POSITIONS:** FT/PT and Temp.  

**PUBLIC SECTOR ECONOMIC EFFECTS:**  

Estimated annual debt service of $409,590 assumes bonds are sold as a package @ 5.25% interest, with bond repayments corresponding to the expected life of the assets financed of 20 years.

When projects are completed and fully functioning, increased annual operations and maintenance costs are estimated at $450,000.

**PRIVATE SECTOR ECONOMIC EFFECTS:**  

Estimated annual debt service payments of approximately $409,590 equate to an estimated property tax increase of .0162 mills or $1.62 per year on $100,000 of assessed valuation in the Anchorage Parks & Recreation Service Area.

When fully operational, increased annual operations and maintenance costs are estimated at $450,000 and equate to an estimated property tax increase of .0178 mills or $1.78 per year on $100,000 of assessed valuation in the Anchorage Parks & 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 $3.40 per $100,000 of assessed valuation in the Anchorage Parks & Recreation Service Area.

SEE 2007 Parks Prop
MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 98-2007

Meeting Date: January 30, 2007

From: Mayor

Subject: An Ordinance for the Qualified Voters of Anchorage, Alaska in the Amount of $4,995,000 of General Obligation Bonds for the Anchorage Parks and Recreation Service Area

The attached ordinance will place a $4,995,000 general obligation bond proposition for the Anchorage Parks and Recreation Service Area on the ballot for the regular Municipal election to be held on April 3, 2007.

The administration recommends scheduling a public hearing for this bond ordinance on February 13, 2007.

The Anchorage Parks and Recreation Service Area bond will implement the priorities established in the recently approved 2007-2012 Capital Improvement Program. The bond provides funds for the purpose of paying the costs of repairing and upgrading recreational facilities and related capital improvements throughout the Anchorage Parks and Recreation Service Area.

THE ADMINISTRATION RECOMMENDS THAT THE MUNICIPAL ASSEMBLY APPROVE THE PROPOSED ORDINANCE PLACING THE ANCHORAGE PARKS AND RECREATION SERVICE AREA BOND PROPOSITION ON THE APRIL 3, 2007 BALLOT.

Prepared by: Jeffrey E. Sinz, Chief Fiscal Officer
Concurrence: Janet L. Mitson, Office of Management & Budget
Concurrence: Denis C. LeBlanc, Municipal Manager
Respectfully submitted: Mark Begich, Mayor

AM 2007 Parks Prop
## Municipality of Anchorage

### Detailed List of 2007 Bond Projects

**By Service Area**

<table>
<thead>
<tr>
<th>Project Title</th>
<th>G O Bonds</th>
<th>State</th>
<th>Federal</th>
<th>Other Funds</th>
<th>Total Project</th>
<th>Debt Service</th>
<th>O &amp; M</th>
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<tr>
<td><strong>Anchorage Parks &amp; Recreation</strong></td>
<td></td>
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<tr>
<td>Anchorage Multi-Use Athletic Fields</td>
<td>$500</td>
<td>$1,000</td>
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<td>$500</td>
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<td>Anchorage Neighborhood Playground Safety Upgrades</td>
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<td>Anchorage Veteran's Memorial Improvements</td>
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<td>$0</td>
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<td>$200</td>
<td>$16.4</td>
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<td>Cuddy Family Mid Town Park</td>
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<td>$1,100</td>
<td>$0</td>
<td>$3,000</td>
<td>$4,300</td>
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<td>Delaney Park Strip Repair</td>
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<td>$1,900</td>
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<td>Far North Bicentennial Park</td>
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<td>$250</td>
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<td>$100</td>
<td>$1,600</td>
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<td>Russian Jack Park Greenhouse and Chalet</td>
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<td>$50</td>
<td>$0</td>
<td>$250</td>
<td>$500</td>
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<td>Russian Jack Springs Park</td>
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<td>$0</td>
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<td>$1,500</td>
<td>$3,250</td>
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<td>Skate Parks Repairs and Upgrades</td>
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<td>$650</td>
<td>$1,500</td>
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<td>South Anchorage Sports Park</td>
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<td>$750</td>
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<td>Town Square Park</td>
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<td>$2,000</td>
<td>$2,750</td>
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<td>Valley of the Moon Park</td>
<td>$250</td>
<td>$500</td>
<td>$0</td>
<td>$100</td>
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<td><strong>Total Anchorage Parks &amp; Recreation</strong></td>
<td>$4,995</td>
<td>$12,560</td>
<td>$2,500</td>
<td>$10,600</td>
<td>$30,645</td>
<td>$409.6</td>
<td>$450.0</td>
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"It is the expectation of the Municipality of Anchorage that the general obligation bonds proposed for April 2007 will be used to make capital improvements to facilities in each service area noted. Project details describe how MOA expects to use the bond proceeds. However, as project development progresses, changes in scope, project feasibility, phasing, timeline, or estimated costs may occur that result in acceleration, delay, or substitution of projects."
Content Information

Content ID: 004758
Type: Ordinance - AO

An Ordinance for the Qualified Voters of Anchorage in the Amount

Title: of $4,995,000 of G.O. Bonds for the Anchorage Parks &
Recreation Service Area, Finance

Author: maglaquip
Initiating Dept: Finance

Keywords: Bond Proposition, Prop, $4,995,000, Parks & Rec, Service Area

Date Prepared: 1/19/07 1:29 PM
Director Name: Jeffrey E. Sinz

Assembly Meeting
Date MM/DD/YY: 1/30/07

Public Hearing Date
MM/DD/YY: 2/13/07

Workflow History

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