

Submitted by: Chairman of the Assembly at the  
Request of the Mayor

Prepared by: Cynthia M. Weed  
K&L PRESTON GATES ELLIS LLP

For Reading: January 30, 2007

CLERK'S OFFICE  
**AMENDED AND APPROVED**  
Date: 2-13-07

MUNICIPALITY OF ANCHORAGE

ORDINANCE NO. AO 2007-33

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE 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 3, 2007.

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 the construct 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");

1 NOW, THEREFORE, THE MUNICIPALITY OF ANCHORAGE ORDAINS:

2 Section 1. Purpose. The Assembly hereby determines that the roads and storm  
3 drainage within the Anchorage Roads and Drainage Service Area are in need of improvement,  
4 renewal and renovation (the "Projects"). The Assembly of the Municipality hereby determines  
5 that the best interest of the residents and property owners within the Anchorage Roads and  
6 Drainage Service Area require the Municipality to undertake the Projects at the time and in the  
7 order and in the manner deemed most necessary and advisable by the Municipality. The  
8 estimated cost of the Projects, including incidental costs and costs related to issuing and selling  
9 the Bonds as provided in this ordinance, is estimated to be \$35,550,000.

10 The Projects are described in more detail in the attachment to the Assembly Memorandum  
11 accompanying this ordinance. The cost of all necessary planning, acquisition of property for,  
12 site preparation, construction, installing and equipping of the Projects, architectural, engineering,  
13 design, and other consulting services, inspection and testing, administrative expenses, costs of  
14 issuance of the Bonds (hereinafter defined) and other costs incurred in connection with the  
15 Projects shall be deemed to be costs of the approved Projects. The approved Projects may be  
16 completed with all necessary equipment and appurtenances.

17 The Municipality shall determine the application of available moneys as between the  
18 various Projects so as to accomplish, as nearly as may be, all of the Projects described or  
19 provided for in this section.

20 If the Municipality shall determine that it has become impractical to accomplish any portion  
21 of the approved Projects by reason of changed conditions or needs, incompatible development or  
22 costs substantially in excess of those estimated, the Municipality shall not be required to  
23 accomplish such portions and shall apply Bond proceeds as set forth in this section.

1 If the approved Projects have been completed in whole or in part, or their completion duly  
2 provided for, or their completion found to be impractical, the Municipality may apply Bond  
3 proceeds or any portion thereof to other Municipality road and storm drainage capital  
4 improvements at its sole discretion. Otherwise, the Municipality shall apply such remaining  
5 proceeds solely to payment of principal or interest on the Bonds, as provided in the Home Rule  
6 Charter. In the event that the proceeds of sale of the Bonds, plus any other monies of the  
7 Municipality legally available, are insufficient to accomplish the approved Projects, the  
8 Municipality shall use the available funds for paying the cost of those portions of the approved  
9 Projects deemed by the Municipality most necessary and in the best interest of the Municipality.  
10 No Bond proceeds shall be used for any purpose other than a capital improvement.

11 For the purpose of providing funds for the undertaking of the Projects, which are hereby  
12 found to be a public purpose and in the public interest, the Municipality hereby proposes to issue  
13 general obligation bonded indebtedness in an amount not to exceed Thirty-Five Million  
14 Five Hundred-Fifty Thousand Dollars (\$35,550,000) (the "Bonds").

15 Section 2. Details of Bonds. The Bonds shall be sold in such amounts and at such  
16 time or times as deemed necessary and advisable by the Assembly and as permitted by law and  
17 shall mature over a period of 20 years from date of issue. The Bonds shall be issued in an  
18 aggregate principal amount of not to exceed \$35,550,000. The Bonds shall bear interest to be  
19 fixed at the time of sale or sales thereof. The exact form, terms, conditions, contents, security,  
20 options of redemption, and such other matters relating to the issuance and sale of said Bonds as  
21 are deemed necessary and advisable by the Assembly shall be as hereinafter determined and/or  
22 delegated by ordinance and/or resolution of the Assembly.

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

6 Section 3. Ballot Proposition. The Assembly hereby submits to the qualified electors  
7 of the Municipality the proposition of whether or not the Municipality should issue the Bonds for  
8 the purpose of financing the costs of the approved Projects at the regular municipal election to be  
9 held on April 3, 2007.

10 The Clerk shall prepare the ballot proposition to be submitted to the voters as provided by  
11 this ordinance and the Municipal Code and shall perform all necessary steps in accordance with  
12 law to place this proposition before the voters at the regular election. The proposition must  
13 receive a majority vote of those in the Municipality voting, both in the Anchorage Roads and  
14 Drainage Service Area and areawide, on the question to be approved. The proposition shall be  
15 substantially in the following form:

16 PROPOSITION NO. \_\_\_\_\_

17  
18 ANCHORAGE ROADS AND DRAINAGE SERVICE  
19 AREA ROAD AND, STORM DRAINAGE BONDS

20  
21 For the purpose of providing streets and roads improvements,  
22 streets and roads safety improvements, drainage collection,  
23 drainage treatment and related capital improvements, shall  
24 Anchorage borrow money and issue up to \$35,550,000 in principal  
25 amount of general obligation bonds and increase the municipal tax  
26 cap by an annual amount not to exceed \$685,000 to pay the  
27 associated annual operations and maintenance costs? The  
28 proposed capital improvements would be located within the  
29 Anchorage Roads and Drainage Service Area. ~~The debt shall be~~  
30 ~~paid from real and personal property taxes levied and collected~~  
31 ~~within the Anchorage Roads and Drainage Service Area, without~~

1 ~~cost to Eagle River and Chugiak taxpayers.~~ **The debt shall be**  
2 **first paid from real and personal property taxes levied and**  
3 **collected within the Anchorage Roads and Drainage Service**  
4 **Area, without cost to properties in Chugiak, Eagle River,**  
5 **Girdwood and other areas outside the Service Area.**  
6

7 Anchorage will also pledge its full faith and credit for payment of  
8 the debt.  
9

10 Voter approval of this bond proposition authorizes for each  
11 \$100,000 of assessed taxable property value (based on the  
12 estimated 2007 assessed valuation in the Anchorage Roads and  
13 Drainage Service Area): (i) an annual increase in taxes of  
14 approximately \$12.74 to retire the proposed bonds, and (ii) an  
15 annual increase necessary to fund the proposed increase in the  
16 municipal tax cap (Charter 14.03(b)(2)) of approximately \$2.99 to  
17 pay for annual operations and maintenance costs related to the  
18 proposed capital improvements.  
19

20 (No. AO 2007-\_\_)

21 Section 4. Submission of Question to Voters. The proposition, both for paper ballots  
22 and machine ballots, shall be printed on a ballot which may set forth other general obligation  
23 bond propositions, and the following words shall be added as appropriate and next to a square  
24 provided for marking the ballot or voting by a machine:

25 PROPOSITION NO. \_\_\_\_\_ BONDS, YES   
26 BONDS, NO

27 Section 5. Effective Dates. Section 2 of this ordinance shall become effective only if  
28 the proposition described in Section 3 is approved by a majority of the qualified voters voting on  
29 the proposition at the regular election held on April 3, 2007. The remaining sections of this  
30 ordinance shall become effective upon passage and approval.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12

PASSED AND APPROVED by the Anchorage Assembly, this 13<sup>th</sup> day of

February, 2007.

*Don Sullivan*  
Chair

ATTEST:

*Barbara S. Guellette*  
Municipal Clerk

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MUNICIPALITY OF ANCHORAGE

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TABLE OF CONTENTS

	<u>Page</u>
Section 1. Purpose.....	2
Section 2. Details of Bonds.....	3
Section 3. Ballot Proposition .....	4
Section 4. Submission of Question to Voters .....	5
Section 5. Effective Dates.....	5



**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects - General Government**

AO Number: 2007-33

Title: General Obligation Bonds for Anchorage Roads & Drainage Service Area

Sponsor:

Preparing Agency: Public Finance and Investments

Others Impacted:

**CHANGES IN EXPENDITURES AND REVENUES:** (Thousands of Dollars)

	FY07	FY08	FY09	FY10	FY11
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	0	685	685	685	685
4000 Debt Service	0	2,913	2,913	2,913	2,913
5000 Capital Outlay					
<b>TOTAL DIRECT COSTS:</b>	<b>0</b>	<b>3,598</b>	<b>3,598</b>	<b>3,598</b>	<b>3,598</b>

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 \$2,913,404 assumes bonds are sold as a package @ 5.25% interest, with bond repayments corresponding to the expected life of the assets financed of 5 and 20 years.

When projects are completed and fully functioning, increased annual operations and maintenance costs are estimated at \$685,000.

**PRIVATE SECTOR ECONOMIC EFFECTS:**

Estimated annual debt service payments of approximately \$2,913,404 equate to an estimated property tax increase of 0.1274 mills or \$12.74 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 \$685,000 and equate to an estimated property tax increase of 0.0299 mills or \$2.99 per year on \$100,000 of assessed valuation in the Anchorage Roads & Drainage 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 \$15.73 per \$100,000 of assessed valuation in the Anchorage Roads & Drainage Service Area.



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

AM No. 112-2007

Meeting Date: January 30, 2007

1 **From:** Mayor

2  
3 **Subject:** An Ordinance for the Qualified Voters of Anchorage, Alaska for the  
4 Issuance of General Obligation Bonds for the Anchorage Roads and  
5 Drainage Service Area (ARDSA)  
6  
7

8 The attached ordinance will place a general obligation bond proposition for the  
9 Anchorage Roads and Drainage Service Area (ARDSA) on the ballot for the regular  
10 Municipal election to be held on April 3, 2007.

11  
12 The administration recommends scheduling a public hearing for this bond ordinance on  
13 February 13, 2007.  
14

15 The 2007 ARDSA road bond will implement the priorities established in the recently  
16 approved 2007-2012 Capital Improvement Program. The bond focuses on reduced  
17 traffic congestion, improves public safety, promotes economic development, and  
18 addresses rehabilitation needs on deteriorating collector and arterial streets.  
19

20 THE ADMINISTRATION RECOMMENDS THAT THE MUNICIPAL ASSEMBLY  
21 APPROVE THE PROPOSED ORDINANCE PLACING THE ANCHORAGE ROADS  
22 AND DRAINAGE SERVICE AREA BOND PROPOSITION ON THE APRIL 3, 2007  
23 BALLOT.  
24  
25

26 Prepared by: Jeffrey E. Sinz, Chief Fiscal Officer  
27 Concurrence: Janet L. Mitson, Office of Management & Budget  
28 Concurrence: Denis C. LeBlanc, Municipal Manger  
29 Respectfully submitted: Mark Begich, Mayor  
30  
31  
32  
33

AM 2007 ARDSA Prop.doc



**Municipality of Anchorage**  
**DETAILED LIST OF 2007 BOND PROJECTS**  
**BY SERVICE AREA**

PROJECT TITLE	(000's)					Debt Service	O & M
	G O Bonds	State	Federal	Other Funds	Total Project		
<b>Anchorage Roads &amp; Drainage</b>							
16TH AVE/TERRACE AREA CIRCULATION IMPROVEMENTS - MEDFRA ST TO ORCA ST	\$500	\$1,000	\$0	\$0	\$1,500	\$41.0	\$0.0
40TH AVE EXTENSION - ARCTIC BLVD TO CENTERPOINT DR	\$400	\$1,300	\$0	\$0	\$1,700	\$32.8	\$0.0
40TH AVE EXTENSION - LAKE OTIS PKWY TO DALE ST	\$500	\$700	\$0	\$0	\$1,200	\$41.0	\$0.0
9TH AVE RECONSTRUCTION - L ST TO LA TOUCHE ST	\$3,750	\$0	\$0	\$0	\$3,750	\$307.5	\$18.0
ALASKA RAILROAD CROSSING REHABS	\$500	\$0	\$0	\$0	\$500	\$41.0	\$0.0
ANCHORAGE SIGNAL SYSTEM, SIGNAGE, AND SAFETY IMPROVEMENTS	\$550	\$0	\$0	\$0	\$550	\$45.1	\$40.0
ARDSA ROAD AND DRAINAGE SYSTEM REHABILITATION	\$1,000	\$0	\$0	\$0	\$1,000	\$82.0	\$0.0
BRAGAW STREET EXTENSION-NORTHERN LIGHTS BLVD TO PROVIDENCE DRIVE	\$500	\$0	\$0	\$0	\$500	\$41.0	\$0.0
E ST CORRIDOR/DOWNTOWN IMPROVEMENT UPGRADES - SHIP CREEK TO DELANEY PARK STRIP	\$4,500	\$4,000	\$0	\$0	\$8,500	\$369.0	\$40.0
FIREWEED LMLATOUCHE ST UPGRADE - SEWARD HWY TO NORTHERN LIGHTS BLVD	\$3,800	\$2,500	\$0	\$0	\$6,300	\$311.6	\$20.0
FISH CREEK IMPROVEMENTS PHASE IVC - MIDTOWN PARK WATER QUALITY ENHANCEMENTS	\$1,200	\$800	\$0	\$0	\$2,000	\$98.4	\$30.0
FLOODING, GLACIATION, AND DRAINAGE PROJECTS	\$1,000	\$1,000	\$0	\$0	\$2,000	\$82.0	\$0.0
INTERSECTION SAFETY IMPROVEMENTS	\$250	\$500	\$0	\$0	\$750	\$20.5	\$0.0
MARATHON CIR RID	\$500	\$0	\$0	\$0	\$500	\$41.0	\$0.0
MUIRWOOD SUBD AREA STORM PAVEMENT REHAB MATCHING PROGRAM	\$350	\$0	\$0	\$0	\$350	\$28.7	\$0.0
PEDESTRIAN SAFETY AND REHAB IMPROVEMENTS	\$2,500	\$2,500	\$0	\$0	\$5,000	\$205.0	\$65.0
ENHANCED INTER ROAD/SIDEWALK SNOW REMOVAL PROGRAM	\$500	\$500	\$0	\$0	\$1,000	\$41.0	\$10.0
PENINSULA DR EXTENSION - C ST TO LANG ST	\$600	\$0	\$0	\$0	\$600	\$49.2	\$350.0
PETERSBURG ST STORM - 73RD AVE TO LORE RD	\$500	\$0	\$0	\$0	\$500	\$41.0	\$0.0
PINE ST/4TH AVE AREA STORM - DEBARR RD TO BONIFACE PKWY	\$200	\$0	\$0	\$0	\$200	\$16.4	\$0.0
RECYCLED ASPHALT PAVEMENT (RAP) AND CHIP SEAL UPGRADES	\$1,000	\$0	\$0	\$0	\$1,000	\$82.0	\$0.0
STRAWBERRY RD UPGRADE - JEWEL LAKE RD TO NORTHWOOD DR	\$8,400	\$0	\$0	\$0	\$8,400	\$687.1	\$52.0
TRAFFIC CALMING AND SAFETY IMPROVEMENTS	\$500	\$750	\$0	\$0	\$1,250	\$41.0	\$60.0
TRAFFIC SIGNAL AND SIGN FACILITY	\$350	\$0	\$0	\$0	\$350	\$28.7	\$0.0
VAN BUREN ST/48TH AVE CIRCULATION AND ACCESS IMPROVEMENTS	\$1,400	\$2,500	\$0	\$0	\$3,900	\$114.8	\$0.0
<b>TOTAL Anchorage Roads &amp; Drainage</b>	<b>\$35,550</b>	<b>\$18,050</b>	<b>\$0</b>	<b>\$0</b>	<b>\$53,600</b>	<b>\$2,913.4</b>	<b>\$685.0</b>

"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 :** 004769**Type:** Ordinance - AO**Title:** An Ordinance for the Issuance of G.O. Bonds for the Anchorage Roads & Drainage Service Area (ARDSA), Finance**Author:** pruittns**Initiating Dept:** Finance**Keywords:** ARDSA, Capital Improvement, Ballot Prop, General Obligation**Date Prepared:** 1/26/07 3:28 PM**Director Name:** Jeffrey E. Sinz**Assembly Meeting Date MM/DD/YY:** 1/30/07 12:00 AM**Public Hearing Date MM/DD/YY:** 2/13/07

M.O.A.  
 2007 JAN 26 PM 4:02  
 CLERKS OFFICE

**Workflow History**

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
Finance_SubWorkflow	1/26/07 3:38 PM	Approve	sinzje	Public	004769
AllOrdinanceWorkflow	1/26/07 3:38 PM	Checkin	pruittns	Public	004769
OMB_SubWorkflow	1/26/07 3:40 PM	Approve	mitsonjl	Public	004769
Legal_SubWorkflow	1/26/07 3:40 PM	Approve	gatesdt	Public	004769
MuniManager_SubWorkflow	1/26/07 3:43 PM	Approve	maglaquijp	Public	004769
MuniMgrCoord_SubWorkflow	1/26/07 3:43 PM	Approve	maglaquijp	Public	004769



CONSENT AGENDA - INTRODUCTION