

Requested by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Cynthia M. Weed, Bond Counsel
K&L PRESTON GATES ELLIS LLP
For Reading: January 29, 2008

See AO 2008-20(S)

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. AO 2008-20**

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED SIX MILLION NINE HUNDRED THOUSAND DOLLARS (\$6,900,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF FACILITIES RENOVATIONS AND RELATED CAPITAL IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2008.

WHEREAS, the best interest of the citizens and property owners in the Municipality of Anchorage, Alaska (the "Municipality") require the Municipality to renovate and make improvements to libraries, Sullivan Arena and the museum, and

WHEREAS, the Assembly of the Municipality have identified necessary facilities renovations improvement projects within the Municipality; and

WHEREAS, in order to provide funds to perform the necessary renovations 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,

1 **THE ANCHORAGE ASSEMBLY ORDAINS:**

2 **Section 1.** Purpose. The Assembly hereby determines that the Municipality is in need
3 of renovations and improvements to libraries, Sullivan Arena and the museum, including
4 roof repairs and replacement, HVAC upgrades and terrace and sidewalk repairs, and
5 related capital improvements (the "Projects"). The Assembly of the Municipality hereby
6 determines that the best interest of the residents and property owners within the
7 Municipality require the Municipality to undertake the Projects at the time and in the order
8 and in the manner deemed most necessary and advisable by the Municipality. The
9 estimated cost of the Projects, including incidental costs and costs related to issuing and
10 selling the Bonds as provided in this ordinance, is estimated to be \$6,900,000.

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

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

22 If the Municipality shall determine that it has become impractical to accomplish
23 any portion of the approved Projects by reason of changed conditions or needs,

1 incompatible development or costs substantially in excess of those estimated, the
2 Municipality shall not be required to accomplish such portions and shall apply Bond
3 proceeds as set forth in this section.

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

15 For the purpose of providing funds for the undertaking of the Projects, which are
16 hereby found to be a public purpose and in the public interest, the Municipality hereby
17 proposes to issue general obligation bonded indebtedness in an amount not to exceed Six
18 Million Nine Hundred Thousand Dollars (\$6,900,000) (the "Bonds").

19 **Section 2.** Details of Bonds. The Bonds shall be sold in such amounts and at such
20 time or times as deemed necessary and advisable by the Assembly and as permitted by law
21 and shall mature over a period of 20 years from date of issue. The Bonds shall be issued in
22 an aggregate principal amount of not to exceed \$6,900,000. The Bonds shall bear interest
23 to be fixed at the time of sale or sales thereof. The exact form, terms, conditions, contents,

1 security, options of redemption, and such other matters relating to the issuance and sale of
2 said Bonds as are deemed necessary and advisable by the Assembly shall be as hereinafter
3 determined and/or delegated by ordinance and/or resolution of the Assembly.

4 The full faith and credit of the Municipality is pledged for the payment of the
5 principal of and interest on the Bonds, and ad valorem taxes upon all taxable property in
6 the Municipality shall be levied without limitation as to rate or amount to pay the principal
7 and interest on the Bonds when due.

8 **Section 3.** **Ballot Proposition.** The Assembly hereby submits to the qualified electors
9 of the Municipality the proposition of whether or not the Municipality should issue the
10 Bonds for the purpose of financing the costs of the approved Projects at the regular
11 municipal election to be held on April 1, 2008.

12 The Clerk shall prepare the ballot proposition to be submitted to the voters as
13 provided by this ordinance and the Municipal Code and shall perform all necessary steps in
14 accordance with law to place this proposition before the voters at the regular election. The
15 proposition must receive an areawide majority vote of those in the Municipality voting on
16 the question to be approved. The proposition shall be substantially in the following form;
17 provided, however, the title of the ballot proposition may be reviewed and revised by the
18 Clerk and Municipal Manager consistent with the terms of this ordinance:

PROPOSITION NO. ____

**AREAWIDE PUBLIC FACILITIES RENOVATIONS AND
CAPITAL IMPROVEMENT BONDS**

For the purpose of providing renovations and improvements to libraries, Sullivan Arena and the museum and related capital improvements, shall Anchorage issue up to \$6,900,000 in principal amount of general obligation bonds and increase the municipal tax cap by an amount not to exceed \$756,000 to pay annual operations and maintenance costs? The proposed capital improvements would be located within Anchorage.

Voter approval of this bond proposition authorizes for each \$100,000 of assessed taxable property value (based on the estimated total 2008 areawide assessed valuation in Anchorage) (i) an annual increase in taxes of approximately \$1.78 to retire the proposed bonds, and (ii) an annual increase in the Municipal Tax Cap (Charter 14.03(b)(2)) of approximately \$2.43 to pay for annual operations and maintenance costs related to the proposed capital improvements.

The debt shall be paid from real and personal property taxes levied and collected areawide within Anchorage. Anchorage will also pledge its full faith and credit for payment of the bonds.

(No. AO 2008-__)

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

1 voting on the proposition at the regular election held on April 1, 2008. The remaining
2 sections of this ordinance shall become effective upon passage and approval.

3 PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this ____
4 day of _____, 2008.

5
6
7 By _____
8 Chair of the Assembly

9 ATTEST:

10
11 _____
12 Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. AO 2008-20

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED SIX MILLION NINE HUNDRED THOUSAND DOLLARS (\$6,900,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF FACILITIES RENOVATIONS AND RELATED CAPITAL IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2008.

Prepared by

K&L PRESTON GATES ELLIS LLP

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. AO 2008-20**

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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.

2008 Facilities
Bond Proposition Project Summary

Project Name	Amount x\$1000	O&M x\$1000	Asmb. Dist.
Sullivan/Museum/Loussac Facility Roof Replacement	6,900	756	9
Areawide		\$6,900	\$756

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2008-20 Title: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED SIX MILLION NINE HUNDRED THOUSAND DOLLARS (\$6,900,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF FACILITIES RENOVATIONS AND RELATED CAPITAL IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2008.

Sponsor: Mayor
Preparing Agency: Finance
Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)					
	FY08	FY09	FY10	FY11	FY12
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	0	756	756	756	756
4000 Debt Service	0	554	554	554	554
5000 Capital Outlay					
TOTAL DIRECT COSTS:	0	1,310	1,310	1,310	1,310
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 \$553,674 assumes bonds are sold as a package @ 5.00% interest, with bond repayments corresponding to the expected life of the assets financed of 5 to 20 years.

When projects are completed and fully functioning, increased annual operations and maintenance costs are estimated at \$756,000.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately \$553,674 equate to an estimated property tax increase of .0178 mills or \$1.78 per year on \$100,000 of assessed valuation Areawide.

When fully operational, increased annual operations and maintenance costs are estimated at \$756,000 and equate to an estimated property tax increase of .0243 mills or \$2.43 per year on \$100,000 of assessed valuation Areawide.

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 \$4.21 per \$100,000 of assessed valuation Areawide.



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 65-2008

Meeting Date: January 29, 2008

From: Mayor

Subject: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED SIX MILLION NINE HUNDRED THOUSAND DOLLARS (\$6,900,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF FACILITIES RENOVATIONS AND RELATED CAPITAL IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2008.

The attached ordinance will place a \$6,900,000 general obligation bond proposition for Facilities Capital Improvements on the ballot for the regular Municipal election to be held on April 1, 2008.

The administration recommends scheduling a public hearing for this bond ordinance on February 12, 2008.

The 2008 Facilities Capital Improvement bond will implement the priorities established in the recently approved 2008-2013 Capital Improvement Program. The bond provides funds for Facilities, including capital improvements for roof repair and improvements to the Anchorage Museum, Sullivan Arena and Municipal Libraries.

THE ADMINISTRATION RECOMMENDS THAT THE MUNICIPAL ASSEMBLY APPROVE THE PROPOSED ORDINANCE PLACING THE FACILITIES CAPITAL IMPROVEMENT BOND PROPOSITION ON THE APRIL 1, 2008 BALLOT.

Prepared by: Sharon Weddleton, CFO

Concurrence: Janet L. Mitson, Director, Office of Management & Budget

Concurrence: James N. Reeves, Municipal Attorney

Concurrence: Denis C. LeBlanc, Municipal Manger

Respectfully submitted: Mark Begich, Mayor

Content Information**Content ID :** 005940**Type:** Ordinance - AO**Title:** An Ordinance for G.O. Bonds to Pay the Costs of Facilities Renovations and Related Capital Improvements, Finance**Author:** pruittns**Initiating Dept:** Finance**Keywords:** G.O., Facilities Renovations, Bonds, Tax Cap, Capital Improvements, \$6,900,000**Date Prepared:** 1/18/08 4:19 PM**Director Name:** Sharon Weddleton**Assembly Meeting Date:** 1/29/08**Public Hearing Date:** 2/12/08M.O.A.
2008 JAN 22 PM 12:40
CLERK'S OFFICE**Workflow History**

Workflow Name	Action Date	Action	User	Security Group	Content ID
AllOrdinanceWorkflow	1/18/08 4:22 PM	Checkin	pruittns	Public	005940
AllOrdinanceWorkflow	1/18/08 4:34 PM	Reject	pruittns	Public	005940
AllOrdinanceWorkflow	1/18/08 4:35 PM	Checkin	pruittns	Public	005940
Finance_SubWorkflow	1/18/08 4:45 PM	Approve	weddletonsb	Public	005940
OMB_SubWorkflow	1/18/08 4:50 PM	Approve	mitsonjl	Public	005940
Legal_SubWorkflow	1/18/08 4:54 PM	Approve	reevesjn	Public	005940
MuniManager_SubWorkflow	1/22/08 8:20 AM	Approve	abbottmk	Public	005940
MuniMgrCoord_SubWorkflow	1/22/08 8:20 AM	Approve	abbottmk	Public	005940