

CLERK'S OFFICE

APPROVED

Date

1-31-12

Requested by: Chair of the Assembly at the
Request of the Mayor

Prepared by: Cynthia M. Weed, Bond
Counsel

K&L GATES LLP

For Reading: January 31, 2012

MUNICIPALITY OF ANCHORAGE, ALASKA
ORDINANCE No. 2012-4(S)

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED TWO MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$2,750,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF CONSTRUCTING, RENOVATING AND EQUIPPING PARK AND TRAIL IMPROVEMENTS AND RECREATIONAL FACILITIES, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE BOWL PARKS AND RECREATION SERVICE AREA, WITHOUT COST TO CHUGIAK, EAGLE RIVER, GIRDWOOD AND OTHER TAXPAYERS OUTSIDE THE SERVICE AREA, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 3, 2012.

WHEREAS, the best interest of the citizens and property owners in the Anchorage Bowl Parks and Recreation Service Area serving the Municipality of Anchorage, Alaska (the "Municipality") require the Municipality to construct, renovate and equip various park and trail improvements, recreational facilities, and related capital improvements; and

WHEREAS, the Assembly of the Municipality have identified necessary construction, renovations and equipping of various park and trail improvements, recreational facilities and related capital improvements within the Anchorage Bowl Parks and Recreation Service Area; and

WHEREAS, in order to provide funds to perform the necessary 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 ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Purpose. The Assembly hereby determines that the parks, trails and recreation facilities within the Anchorage Bowl Parks and Recreation Service Area are in need of construction, renovation and equipping of various improvements

1 (the "Projects"). The Assembly of the Municipality hereby determines that the best
2 interest of the residents and property owners within the Anchorage Bowl Parks
3 and Recreation Service Area require the Municipality to undertake the Projects at
4 the time and in the order and in the manner deemed most necessary and
5 advisable by the Municipality. The estimated cost of the Projects, including
6 incidental costs and costs related to issuing and selling the Bonds as provided in
7 this ordinance, is estimated to be \$2,750,000.

8
9 The Projects are described in more detail in the attachment to the Assembly
10 Memorandum accompanying this ordinance. The cost of all necessary planning,
11 site preparation, construction, installing and equipping of the Projects,
12 architectural, engineering, design, and other consulting services, inspection and
13 testing, administrative expenses, costs of issuance of the Bonds (hereinafter
14 defined) and other costs incurred in connection with the Projects shall be deemed
15 to be costs of the approved Projects. The approved Projects may be completed
16 with all necessary equipment and appurtenances.

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

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

27
28 If the approved Projects have been completed in whole or in part, or their
29 completion duly provided for, or their completion found to be impractical, the
30 Municipality may apply Bond proceeds or any portion thereof to other Municipality
31 park and recreation capital improvements at its sole discretion. Otherwise, the
32 Municipality shall apply such remaining proceeds solely to payment of principal or
33 interest on the Bonds, as provided in the Home Rule Charter. In the event that the
34 proceeds of sale of the Bonds, plus any other monies of the Municipality legally
35 available, are insufficient to accomplish the approved Projects, the Municipality
36 shall use the available funds for paying the cost of those portions of the approved
37 Projects deemed by the Municipality most necessary and in the best interest of the
38 Municipality. No Bond proceeds shall be used for any purpose other than a capital
39 improvement.

40
41 For the purpose of providing funds for the undertaking of the Projects, which
42 are hereby found to be a public purpose and in the public interest, the Municipality
43 hereby proposes to issue general obligation bonded indebtedness in an amount
44 not to exceed Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000)
45 (the "Bonds").
46

1 **Section 2. Details of Bonds.** The Bonds shall be sold in such amounts and at
2 such time or times as deemed necessary and advisable by the Assembly and as
3 permitted by law and shall mature over a period of up to 20 years from date of
4 issue. The Bonds shall be issued in an aggregate principal amount of not to
5 exceed \$2,750,000. The Bonds shall bear interest to be fixed at the time of sale or
6 sales thereof. The exact form, terms, conditions, contents, security, options of
7 redemption, and such other matters relating to the issuance and sale of said
8 Bonds as are deemed necessary and advisable by the Assembly shall be as
9 hereinafter determined and/or delegated by ordinance and/or resolution of the
10 Assembly.

11
12 The full faith and credit of the Municipality is pledged for the payment of the
13 principal of and interest on the Bonds, and ad valorem taxes upon all taxable
14 property in the Municipality shall be levied without limitation as to rate or amount to
15 pay the principal and interest on the Bonds when due. The principal of and
16 interest on the Bonds are to be paid first from ad valorem taxes levied and
17 collected within the Anchorage Bowl Parks and Recreation Service Area.

18
19 **Section 3. Ballot Proposition.** The Assembly hereby submits to the qualified
20 electors of the Municipality the proposition of whether or not the Municipality
21 should issue the Bonds for the purpose of financing the costs of the approved
22 Projects at the regular municipal election to be held on April 3, 2012.

23
24 The Clerk shall prepare the ballot proposition to be submitted to the voters
25 as provided by this ordinance and the Municipal Code and shall perform all
26 necessary steps in accordance with law to place this proposition before the voters
27 at the regular election. The proposition must receive a majority vote of those in
28 the Municipality voting, both in the Anchorage Bowl Parks and Recreation Service
29 Area and areawide, on the question to be approved. The proposition shall be
30 substantially in the following form:

31
32 PROPOSITION NO. ____

33
34 ANCHORAGE BOWL PARKS AND RECREATION
35 SERVICE AREA CAPITAL IMPROVEMENT BONDS

36
37 To improve parks and trails, repair or replace failing
38 bridges on trails and trail safety lighting, upgrade and
39 improve playground accessibility, neighborhood parks
40 and recreation facilities, including Coastal Trail Surface
41 & Safety Improvements, in the Anchorage Bowl Parks
42 and Recreation Service Area and related capital
43 improvements as provided in Ordinance No. AO 2012-
44 4(S), shall Anchorage borrow money and issue up to
45 \$2,750,000 in principal amount of general obligation
46 bonds and increase the municipal tax cap by an annual

amount not to exceed \$166,000 [~~158,000~~] to pay for associated annual operations and maintenance costs?

Voter approval of this bond proposition authorizes for each \$100,000 of assessed taxable property value (based on the estimated total 2012 assessed valuation in the Anchorage Bowl Parks and Recreation Service Area): (i) an annual increase in taxes of \$0.79 to retire the proposed bonds, and (ii) an annual increase in the municipal tax cap (Charter 14.03(b)(2)) of approximately \$0.61 [~~0.58~~] to pay for annual operation and maintenance costs related to the proposed capital improvements.

The debt shall be first paid from real and personal property taxes levied and collected within the Anchorage Bowl 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.

(No. AO 2012-4(S))

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, 2012. The remaining sections of this ordinance shall become effective upon passage and approval by the Assembly.

1 PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this
2 31st day of January, 2012.
3

4
5 By Debbie Cassander
6 Chair of the Assembly

7 ATTEST:

8
9
10
11 Barbara S. Gruent
12 Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2012-4(S)

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED TWO MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$2,750,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF CONSTRUCTING, RENOVATING AND EQUIPPING PARK AND TRAIL IMPROVEMENTS AND RECREATIONAL FACILITIES, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE BOWL PARKS AND RECREATION SERVICE AREA, WITHOUT COST TO CHUGIAK, EAGLE RIVER, GIRDWOOD AND OTHER TAXPAYERS OUTSIDE THE SERVICE AREA, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 3, 2012.

Prepared by

K&L GATES LLP

MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2012-4(S)

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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.

MUNICIPALITY OF ANCHORAGE
REVISED Summary of Economic Effects - General Government

AO Number: 2012-4(S)

Title: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED TWO MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$2,750,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF CONSTRUCTING, RENOVATING AND EQUIPPING PARK AND TRAIL IMPROVEMENTS AND RECREATIONAL FACILITIES, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE BOWL PARKS AND RECREATION SERVICE AREA, WITHOUT COST TO CHUGIAK, EAGLE RIVER, GIRDWOOD AND OTHER TAXPAYERS OUTSIDE THE SERVICE AREA, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 3, 2012.

Sponsor: Mayor

Preparing Agency: Finance Department

Others Impacted: Parks & Recreation Department

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY12	FY13	FY14	FY15	FY16
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services		166	166	166	166
4000 Debt Service		216	216	216	216
5000 Capital Outlay					
TOTAL DIRECT COSTS:		382	382	382	382

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 \$216,014 assumes bonds are sold as a package @ 4.75% interest, with bond repayments corresponding to the expected life of the assets financed up to 20 years.

When projects are completed and fully functioning, increased annual operations and maintenance costs are estimated at \$166,000.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately \$216,014 equate to an estimated property tax increase of 0.0079 mills or \$0.79 per year on \$100,000 of assessed valuation in the Anchorage Parks Service Area.

When fully operational, increased annual operations and maintenance costs are estimated at \$166,000 and equate to an estimated property tax increase of 0.0061 mills or \$0.61 per year on \$100,000 of assessed valuation in the Anchorage Parks 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 \$1.40 per \$100,000 of assessed valuation in the Anchorage Parks Service Area.



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 46-2012(A)

Meeting Date: January 31, 2012

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 Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000) of General Obligation Bonds of the Municipality of Anchorage to Pay the Costs of Constructing, Renovating and Equipping Park and Trail Improvements and Recreational Facilities, and the Question of an Increase in the Municipal Tax Cap Limitation to Pay Associated Operations and Maintenance Costs in the Anchorage Bowl Parks and Recreation Service Area, Without Cost to Chugiak, Eagle River, Girdwood and Other Taxpayers Outside the Service Area, at the Election to be held in the Municipality on April 3, 2012.

The ordinance will place a general obligation bond proposition for the Anchorage Bowl Parks and Recreation Service Area on the ballot for the regular Municipal election to be held on April 3, 2012.

The administration recommends scheduling a public hearing for this bond ordinance on January 31, 2012.

The Anchorage Bowl Parks and Recreation Service Area bond proposal will implement the priorities established in the recently approved 2012-2017 Capital Improvement Program. The bond provides funds for the purpose of paying the costs of upgrading recreational facilities and related capital improvements, including the Dempsey Anderson Ice Arena, greenbelt and coastal trails, safety improvements on greenbelt and coastal trails, throughout the Anchorage Bowl Parks and Recreation Service Area. Please see the attached Anchorage Bowl Parks and Recreation Service Area, 2012 Bond Project List, attached as Revised Exhibit A.

THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED TWO MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$2,750,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF CONSTRUCTING, RENOVATING AND

1 EQUIPPING PARK AND TRAIL IMPROVEMENTS AND RECREATIONAL
2 FACILITIES, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX
3 CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE
4 COSTS IN THE ANCHORAGE BOWL PARKS AND RECREATION SERVICE
5 AREA, WITHOUT COST TO CHUGIAK, EAGLE RIVER, GIRDWOOD AND
6 OTHER TAXPAYERS OUTSIDE THE SERVICE AREA, AT THE ELECTION TO
7 BE HELD IN THE MUNICIPALITY ON APRIL 3, 2012.

8
9 Prepared by: Lucinda Mahoney, CFO
10 Concurrence: Cheryl Frasca, Office of Management & Budget
11 Concurrence: Dennis A. Wheeler, Municipal Attorney
12 Concurrence: George J. Vakalis, Municipal Manger
13 Respectfully submitted: Daniel A. Sullivan, Mayor

14
15 AM 2012 Parks Prop.doc

Revised EXHIBIT A

**Anchorage Bowl Parks and Recreation Service Area
2012 Bond Project List
(000)'s**

Project Name	Bond Amount	Total O&M
Coastal Trail Surface & Safety Improvements	1,250	88
Cuddy Park Oval Rink and Playground-For-All Improvements	250	18
Dempsey Anderson Ice Arena	450	-
Greenbelt Trail Bridge Rehabilitation - Fixing or Replacing Failing Bridges	450	35
Kincaid LED Trail Lighting & Safety Improvements	250	18
Anchorage Veterans' Memorial at Delaney Park Capital Improvements	100	7
Total	\$ 2,750	\$ 166