

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

MUNICIPALITY OF ANCHORAGE

ORDINANCE NO. AO 2007-28

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED FOUR MILLION NINE HUNDRED NINETY-FIVE THOUSAND DOLLARS (\$4,995,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF EQUIPPING AND CONSTRUCTING PARK IMPROVEMENTS, RECREATIONAL FACILITIES, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE PARKS AND RECREATION SERVICE AREA AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 3, 2007. 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.

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

1           WHEREAS, in order to provide funds to perform the necessary acquisitions,  
2 construction, renovations, upgrades and improvements as further described in Section 1 of this  
3 ordinance (the "Projects"), it is deemed necessary and advisable that the Municipality issue and  
4 sell its general obligation bonds (the "Bonds");

5           NOW, THEREFORE, THE MUNICIPALITY OF ANCHORAGE ORDAINS:

6           Section 1.     Purpose. The Assembly hereby determines that the parks and recreation  
7 facilities within the Anchorage Parks and Recreation Service Area are in need of improvement,  
8 renewal and renovation (the "Projects"). The Assembly of the Municipality hereby determines  
9 that the best interest of the residents and property owners within the Anchorage Parks and  
10 Recreation Service Area require the Municipality to undertake the Projects at the time and in the  
11 order and in the manner deemed most necessary and advisable by the Municipality. The  
12 estimated cost of the Projects, including incidental costs and costs related to issuing and selling  
13 the Bonds as provided in this ordinance, is estimated to be \$4,995,000.

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

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

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

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

15 For the purpose of providing funds for the undertaking of the Projects, which are hereby  
16 found to be a public purpose and in the public interest, the Municipality hereby proposes to issue  
17 general obligation bonded indebtedness in an amount not to exceed Four Million Nine Hundred  
18 Ninety-Five Thousand Dollars (\$4,995,000) (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 and  
21 shall mature over a period of 20 years from date of issue. The Bonds shall be issued in an  
22 aggregate principal amount of not to exceed \$4,995,000. The Bonds shall bear interest to be  
23 fixed at the time of sale or sales thereof. The exact form, terms, conditions, contents, security,

1 options of redemption, and such other matters relating to the issuance and sale of said Bonds as  
2 are deemed necessary and advisable by the Assembly shall be as hereinafter determined and/or  
3 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 principal of  
5 and interest on the Bonds, and ad valorem taxes upon all taxable property in the Municipality  
6 shall be levied without limitation as to rate or amount to pay the principal and interest on the  
7 Bonds when due. The principal of and interest on the Bonds are to be paid first from ad valorem  
8 taxes levied and collected within the Anchorage Parks and Recreation Service Area.

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

13 The Clerk shall prepare the ballot proposition to be submitted to the voters as provided by  
14 this ordinance and the Municipal Code and shall perform all necessary steps in accordance with  
15 law to place this proposition before the voters at the regular election. The proposition must  
16 receive a majority vote of those in the Municipality voting, both in the Anchorage Parks and  
17 Recreation Service Area and areawide, on the question to be approved. The proposition shall be  
18 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.

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

1 the proposition at the regular election held on April 3, 2007. The remaining sections of this  
2 ordinance shall become effective upon passage and approval.

3 PASSED AND APPROVED by the Anchorage Assembly, this \_\_\_\_ day of  
4 \_\_\_\_\_, 20\_\_.

5 \_\_\_\_\_  
6 Chair

7  
8 ATTEST:  
9  
10  
11 \_\_\_\_\_  
12 Municipal Clerk

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Prepared by

K&L PRESTON GATES ELLIS LLP

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.....	6

**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:

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

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	FY07	FY08	FY09	FY10	FY11
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	0	450	450	450	450
4000 Debt Service	0	410	410	410	410
5000 Capital Outlay					
<b>TOTAL DIRECT COSTS:</b>	<b>0</b>	<b>860</b>	<b>860</b>	<b>860</b>	<b>860</b>

ADD: 6000 Charge from Others

LESS: 7000 Charge to Others

FUNCTION COST:

REVENUES:

CAPITAL:

POSITIONS: FT/PT and Temp.

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**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.

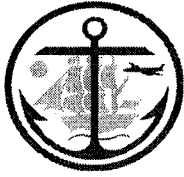
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**PRIVATE SECTOR ECONOMIC EFFECTS:**

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.



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

AM No. 98 -2007

Meeting Date: January 30, 2007

1 **From:** Mayor

2  
3 **Subject:** An Ordinance for the Qualified Voters of Anchorage, Alaska in the Amount  
4 of \$4,995,000 of General Obligation Bonds for the Anchorage Parks and  
5 Recreation Service Area  
6

7  
8 The attached ordinance will place a \$4,995,000 general obligation bond proposition for  
9 the Anchorage Parks and Recreation Service Area 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 Anchorage Parks and Recreation Service Area bond will implement the priorities  
16 established in the recently approved 2007-2012 Capital Improvement Program. The  
17 bond provides funds for the purpose of paying the costs of repairing and upgrading  
18 recreational facilities and related capital improvements throughout the Anchorage Parks  
19 and Recreation Service Area.

20  
21 THE ADMINISTRATION RECOMMENDS THAT THE MUNICIPAL ASSEMBLY  
22 APPROVE THE PROPOSED ORDINANCE PLACING THE ANCHOARGE PARKS  
23 AND RECREATION SERVICE AREA BOND PROPOSITION ON THE APRIL 3, 2007  
24 BALLOT.

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 Parks Prop



Municipality of Anchorage

DETAILED LIST OF 2007 BOND PROJECTS  
BY SERVICE AREA

PROJECT TITLE	(000's)							O & M
	G O Bonds	State	Federal	Other Funds	Total Project	Debt Service		
<b>Anchorage Parks &amp; Recreation</b>								
ANCHORAGE MULTI-USE ATHLETIC FIELDS	\$500	\$1,000	\$0	\$500	\$2,000	\$41.0	\$20.0	
ANCHORAGE NEIGHBORHOOD PLAYGROUND SAFETY UPGRADES	\$895	\$2,000	\$0	\$1,000	\$3,895	\$73.4	\$39.0	
ANCHORAGE VETERAN'S MEMORIAL IMPROVEMENTS	\$200	\$0	\$0	\$0	\$200	\$16.4	\$0.0	
CUDDY FAMILY MID TOWN PARK	\$200	\$1,100	\$0	\$3,000	\$4,300	\$16.4	\$66.0	
DELANEY PARK STRIP REPAIR	\$250	\$1,400	\$0	\$250	\$1,900	\$20.5	\$39.0	
FAR NORTH BICENTENNIAL PARK	\$250	\$1,000	\$0	\$250	\$1,500	\$20.5	\$8.0	
GOOSE LAKE PARK	\$500	\$3,250	\$0	\$250	\$4,000	\$41.0	\$102.0	
JEWEL LAKE PARK	\$500	\$1,000	\$0	\$100	\$1,600	\$41.0	\$16.0	
RUSSIAN JACK PARK GREENHOUSE AND CHALET	\$200	\$50	\$0	\$250	\$500	\$16.4	\$5.0	
RUSSIAN JACK SPRINGS PARK	\$250	\$0	\$1,500	\$1,500	\$3,250	\$20.5	\$50.0	
SKATE PARKS REPAIRS AND UPGRADES	\$100	\$750	\$0	\$650	\$1,500	\$8.2	\$15.0	
SOUTH ANCHORAGE SPORTS PARK	\$650	\$0	\$1,000	\$750	\$2,400	\$53.3	\$25.0	
TOWN SQUARE PARK	\$250	\$500	\$0	\$2,000	\$2,750	\$20.5	\$56.0	
VALLEY OF THE MOON PARK	\$250	\$500	\$0	\$100	\$850	\$20.5	\$9.0	
<b>TOTAL Anchorage Parks &amp; Recreation</b>	<b>\$4,995</b>	<b>\$12,550</b>	<b>\$2,500</b>	<b>\$10,600</b>	<b>\$30,645</b>	<b>\$409.6</b>	<b>\$450.0</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 :** 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:** maglaquijp

**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

M.O.A.  
 2007 JAN 22 AM 10:15  
 CLERK'S 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>
AllOrdinanceWorkflow	1/19/07 1:33 PM	Checkin	pruittns	Public	004758
Finance_SubWorkflow	1/19/07 2:02 PM	Approve	sinzje	Public	004758
OMB_SubWorkflow	1/19/07 2:04 PM	Approve	mitsonjl	Public	004758
Legal_SubWorkflow	1/19/07 2:04 PM	Approve	fehlenrl	Public	004758
MuniManager_SubWorkflow	1/19/07 2:08 PM	Approve	leblancdc	Public	004758
MuniMgrCoord_SubWorkflow	1/19/07 2:53 PM	Checkin	maglaquijp	Public	004758
MuniMgrCoord_SubWorkflow	1/19/07 3:25 PM	Approve	abbottmk	Public	004758