ANCHORAGE, ALASKA
AR NO. 2008-171

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING FORTY-SIX THOUSAND FIVE HUNDRED DOLLARS ($46,500) TO SPECIAL ASSESSMENT DISTRICT 08-10 FOR CONSTRUCTION OF A GAS LINE SERVING THE POTTER HEIGHTS SUBDIVISION AREA.

WHEREAS, the Municipal Assembly passed AO 2008-73 on July 16, 2008, which created Special Assessment District 08-10 for the purpose of constructing a gas line serving the Potter Heights Subdivision Area; and

WHEREAS, AO 2008-73 established a project budget of $46,500; and

WHEREAS, AO 2008-73 required identification of a funding source upon commencement of the project; and

WHEREAS, the project will be designed and constructed in 2008 by Enstar Natural Gas Company under a sole source agreement with the Municipality; and

WHEREAS, an Interfund Loan for the Special Assessment District 08-10 gas line construction project is identified as the initial funding source, subject to a term of five years and a fixed rate of interest established at one percent above the most recent Municipal construction cash pool monthly earnings rate at the time of final assessment; and

WHEREAS, the Municipality anticipates reimbursement of the Interfund Loan with the proceeds of special assessment revenue debt that may be issued by the Municipality (the “Reimbursement Bonds”), and which will be repaid in full by the proceeds from the final assessment established for Special Assessment District 08-10; and

WHEREAS, the issuance of the Reimbursement Bonds will be based on the relative economic benefit provided by such financing and is subject to further approval by the Municipal Assembly.

NOW, THEREFORE, the Anchorage Assembly resolves:

Section 1. That Forty-Six Thousand Five Hundred Dollars ($46,500) in Interfund Loan proceeds are hereby appropriated from Anchorage Roads and Drainage Service Area (Fund 141) to the Areawide General CIP (Fund 401).
Section 2. The Interfund Loan referenced in Section 1 may be replaced, in conjunction with establishment of the final assessment for Special Assessment District 08-10, by proceeds from the issuance of Reimbursement Bonds, subject to further approval of the Municipal Assembly.

Section 3. That this resolution shall take effect immediately upon passage and approval by the Anchorage Municipal Assembly.

PASSED AND APPROVED by the Anchorage Municipal Assembly this _____ day of ______________________, 2008.

__________________________________________
Chair

ATTEST:

______________________________
Municipal Clerk

Department of Appropriation:
Project Management & Engineering Department $46,500
FROM: Mayor

SUBJECT: A resolution of the Municipality of Anchorage Appropriating Forty-Six Thousand Five Hundred Dollars ($46,500) to Special Assessment District 08-10 for Construction of a Gas Line Serving the Potter Heights Subdivision Area.

The attached resolution appropriates forty-six thousand five hundred dollars ($46,500) to Special Assessment District 08-10, (the "District"). The District was created by the Municipal Assembly under AO 2008-73 to fund construction of a gas line serving the Potter Heights Subdivision Area.

AO NO. 2008-73 required that a funding source be identified by the Municipality before commencement of the project. This resolution identifies the proceeds of an Interfund Loan from the Anchorage Roads and Service Drainage Area (Fund 141) as the initial funding source for the project. It also anticipates that the Interfund Loan may be replaced by the proceeds of Reimbursement Bonds. The final decision regarding the issuance of Reimbursement Bonds will be driven by the economic benefit of the Bonds and is subject to further approval by the Assembly. Under terms established for Special Assessment District 08-10, property owners will fully reimburse the appropriation through special property assessments.

The project will be designed and constructed by Enstar Natural Gas Company in 2008 through a sole source agreement.

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Name</th>
<th>Amount</th>
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<tbody>
<tr>
<td>401-7276-3808-2008</td>
<td>Other Contractual Services</td>
<td>$46,500</td>
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THE ADMINISTRATION RECOMMENDS APPROVAL OF THIS RESOLUTION APPROPRIATING FORTY-SIX THOUSAND FIVE HUNDRED DOLLARS ($46,500) TO SPECIAL ASSESSMENT DISTRICT 08-10 FOR CONSTRUCTION OF A GAS LINE SERVING THE POTTER HEIGHTS SUBDIVISION AREA.

Prepared by: Ross Risvold, Public Finance & Investments Manager
Fund Certification: Sharon Weddleton, CFO

Concur: Michael K. Abbott, Municipal Manager
Respectfully submitted: Mark Begich, Mayor