

Municipal Clerk's Office
Immediate Reconsideration

Failed

Date: **January 26, 2021**

Approved

Date: **January 26, 2021**

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2021-3

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED THREE MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS (\$3,950,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF CONSTRUCTING, RENOVATING AND EQUIPPING PARK, TRAIL AND RECREATIONAL FACILITIES CAPITAL IMPROVEMENTS AND RELATED CAPITAL IMPROVEMENTS IN THE ANCHORAGE PARKS AND RECREATION SERVICE AREA, 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, 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 6, 2021.

Prepared by

K&L GATES LLP

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2021-3**

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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.

Requested by: Chair of the Assembly at
the Request of the Acting
Mayor
Prepared by: Cynthia M. Weed, Bond
Counsel
K&L GATES LLP
For Reading: January 12, 2021

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2021-3**

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED THREE MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS (\$3,950,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF CONSTRUCTING, RENOVATING AND EQUIPPING PARK, TRAIL AND RECREATIONAL FACILITIES CAPITAL IMPROVEMENTS AND RELATED CAPITAL IMPROVEMENTS IN THE ANCHORAGE PARKS AND RECREATION SERVICE AREA, 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, 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 6, 2021.

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 construct, renovate and equip various park and trail improvements, recreational and athletic facilities, and related capital improvements (the "Projects"); and

WHEREAS, in order to provide financing for the Projects, it is deemed necessary and advisable that the Municipality issue and sell its general obligation bonds in the principal amount of not to exceed \$3,950,000 (the "Bonds"); now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Purpose. The Assembly hereby determines that the parks, trails and athletic and recreation facilities within the Anchorage Parks and Recreation Service Area are in need of construction, renovation and equipping of the Projects. The Assembly of the Municipality hereby determines that the best interest of the residents and property owners within the Anchorage Parks and Recreation Service Area require the Municipality to undertake the Projects at the time and in the order and in the manner deemed most necessary and advisable by the Municipality.

1 The estimated cost of the Projects, including incidental costs and costs related to
2 issuing and selling the Bonds as provided in this ordinance, is estimated to be
3 \$3,950,000.
4

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

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

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

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

37 For the purpose of providing funds for the undertaking of the Projects, which
38 are hereby found to be a public purpose and in the public interest, the Municipality
39 hereby proposes to issue general obligation bonded indebtedness in an amount
40 not to exceed Three Million Nine Hundred Fifty Thousand Dollars (\$3,950,000).
41

42 **Section 2. Details of Bonds.** The Bonds shall be sold in such amounts and at
43 such time or times as deemed necessary and advisable by the Assembly and as
44 permitted by law and shall mature over a period of up to 20 years from date of
45 issue. The Bonds shall be issued in an aggregate principal amount of not to
46 exceed \$3,950,000. The Bonds shall bear interest to be fixed at the time of sale or

1 sales thereof. The exact form, terms, conditions, contents, security, options of
2 redemption, and such other matters relating to the issuance and sale of said
3 Bonds as are deemed necessary and advisable by the Assembly shall be as
4 hereinafter determined and/or delegated by ordinance and/or resolution of the
5 Assembly.

6
7 The full faith and credit of the Municipality is pledged for the payment of the
8 principal of and interest on the Bonds, and ad valorem taxes upon all taxable
9 property in the Municipality shall be levied without limitation as to rate or amount to
10 pay the principal and interest on the Bonds when due. The principal of and
11 interest on the Bonds are to be paid first from ad valorem taxes levied and
12 collected within the Anchorage Parks and Recreation Service Area.

13
14 **Section 3. Ballot Proposition.** The Assembly hereby submits to the qualified
15 voters of the Municipality the proposition of whether or not the Municipality should
16 issue the Bonds for the purpose of financing the costs of the approved Projects at
17 the regular municipal election to be held on April 6, 2021.

18
19 The Clerk shall prepare the ballot proposition to be submitted to the voters
20 as provided by this ordinance and the Municipal Code and shall perform all
21 necessary steps in accordance with law to place this proposition before the voters
22 at the regular election. The proposition must receive a majority vote of those in
23 the Municipality voting, both in the Anchorage Parks and Recreation Service Area
24 and areawide, on the question to be approved. The proposition shall be
25 substantially in the following form:

26
27 PROPOSITION NO. ____

28
29 ANCHORAGE PARKS AND RECREATION
30 SERVICE AREA CAPITAL IMPROVEMENT BONDS

31
32 For the purpose of renovating and rehabilitating trails
33 and parks, making playground, athletic field, safety,
34 ADA and park improvements at various parks and
35 recreational facilities, and making related capital
36 improvements in the Anchorage Parks and Recreation
37 Service Area, as provided in AO 2021-____, shall
38 Anchorage borrow money and issue up to \$3,950,000
39 in principal amount of general obligation bonds and
40 increase the municipal tax cap by an annual amount
41 not to exceed \$192,000 to pay for associated annual
42 operations and maintenance costs?

43
44 Voter approval of this bond proposition authorizes for
45 each \$100,000 of assessed taxable property value
46 (based on the estimated 2021 assessed valuation in

the Anchorage Parks and Recreation Service Area):
(i) an annual increase in taxes of approximately \$0.98 to retire the proposed bonds, and (ii) an annual increase in the municipal tax cap (Charter 14.03(b)(2)) of approximately \$0.65 to pay for annual operation and maintenance costs related to the proposed capital improvements.

The debt shall be paid from real and personal property taxes levied and collected within the Anchorage Parks and Recreation Service Area, without cost to properties in Chugiak, Eagle River, Girdwood, and other areas outside the Service Area. The Municipality will also pledge its full faith and credit for payment of the bonds.

☐ YES ☐ NO

Section 4. 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 6, 2021. The remaining sections of this ordinance shall become effective upon passage and approval by the Assembly.

PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this 26th day of January, 2021.



Chair

ATTEST:



Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 10-2021

Meeting Date: January 12, 2021

From: Acting Mayor

Subject: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED THREE MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS (\$3,950,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF CONSTRUCTING, RENOVATING AND EQUIPPING PARK, TRAIL AND RECREATIONAL FACILITIES CAPITAL IMPROVEMENTS AND RELATED CAPITAL IMPROVEMENTS IN THE ANCHORAGE PARKS AND RECREATION SERVICE AREA, 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, 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 6, 2021.

The attached ordinance will place a general obligation bond proposition for the Anchorage Parks and Recreation Service Area on the ballot for the Municipal election to be held on April 6, 2021.

The Administration recommends scheduling a public hearing for this bond ordinance on January 26, 2021.

The Anchorage Parks and Recreation Service Area bond proposal will implement the priorities established in the recently approved 2021-2026 Capital Improvement Program. Please see the attached Project List, attached as Exhibit A.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE.

Prepared By: Ross Risvold, Public Finance Manager and
Jessie Wei, Municipal Debt Officer

Approved By: Alexander Slivka, CFO

Concur: Lance Wilber, Director, Office of Management &
Budget

Concur: Kathryn Vogel, Municipal Attorney

Concur: Anna C. Henderson, Municipal Manager

Respectfully submitted: Austin Quinn-Davidson, Acting Mayor

EXHIBIT A

Anchorage Parks and Recreation Service Area 2021 Bond Project List (000)'s

Project	Amount	O&M
Athletic Field Safety Improvements	\$ 500	\$ 25
Campbell Creek Trail Rehabilitation and Way Finding	600	30
Chanshtnu Muldoon Park, Phase II	200	10
Chester Creek Complex Facility Safety, Security and ADA Upgrades	100	5
Facility Safety Upgrades	100	5
Fish Creek Trail to the Ocean	100	--
KFQD Park	400	20
Northeast Connector Trail	600	30
Russian Jack Springs Park Safety and ADA Improvements	200	10
South Anchorage Sports Park	300	15
Taku Lake Park	500	25
Tony Knowles Coastal Trail to Ship Creek Trail Connection	130	--
Ure Park Improvements	220	17
Total	\$3,950	\$192

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2021-3

Title: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED THREE MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS (\$3,950,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF CONSTRUCTING, RENOVATING AND EQUIPPING PARK, TRAIL AND RECREATIONAL FACILITIES CAPITAL IMPROVEMENTS AND RELATED CAPITAL IMPROVEMENTS IN THE ANCHORAGE PARKS AND RECREATION SERVICE AREA, 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, 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 6, 2021.

Sponsor: Acting Mayor

Preparing Agency: Finance

Others Impacted: Parks & Recreation Department

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)					
	FY21	FY22	FY23	FY24	FY25
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	--	192.0	192.0	192.0	192.0
4000 Debt Service	--	290.6	290.6	290.6	290.6
5000 Capital Outlay					
TOTAL DIRECT COSTS:	--	482.6	482.6	482.6	482.6
ADD: 6000 Charge from Others					
FUNCTION COST:					
REVENUES:					
CAPITAL:					
POSITIONS: FT/PT and Temp.					

PUBLIC SECTOR ECONOMIC EFFECTS:

Estimated annual debt service of \$290,648 assumes bonds are sold as a package @ 4.0% 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 \$192,000.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately \$290,648 equate to an estimated property tax increase of 0.0098 mills or \$0.98 per year on \$100,000 of assessed valuation in the Anchorage Parks and Recreation Service Area.

When fully operational, increased annual operations and maintenance costs are estimated at \$192,000 and equate to an estimated property tax increase of 0.0065 mills or \$0.65 per year on \$100,000 of assessed valuation in the Anchorage Parks and Recreation Service Area and an increase in the Municipal tax cap limitation.

The total private sector economic effect would therefore be a total of \$1.63 per \$100,000 of assessed valuation in the Anchorage Parks and Recreation Service Area.