

Municipal Clerk's Office
Immediate Reconsideration

Failed

Date: **January 26, 2021**

Approved

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Requested by: Assembly Member Kennedy
Prepared by: Cynthia M. Weed, Bond
Counsel

(S) version: K&L GATES LLP
For Reading: Assembly Counsel's Office
January 26, 2021

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2021-6(S)**

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTIONS OF THE ISSUANCE OF NOT TO EXCEED EIGHT MILLION FIFTY-FIVE THOUSAND DOLLARS (\$8,055,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE FACILITIES CAPITAL IMPROVEMENT PROJECTS, 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 6, 2021 AND AMENDING THE 2021 GENERAL GOVERNMENT CAPITAL IMPROVEMENT BUDGET (CIB) AND THE 2021-2026 GENERAL GOVERNMENT CAPITAL IMPROVEMENT PROGRAM (CIP).

WHEREAS, the best interest of the citizens and property owners in the Municipality of Anchorage, Alaska (the "Municipality") require the Municipality to make areawide public facilities capital improvements, including at the Anchorage and Chugiak Eagle River Senior Centers and the Loussac Library, said improvements involving building safety rehabilitation and upgrades, facility renovations, code improvement projects, pool filtration system, public restrooms, solar panel energy saving improvements 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 \$8,055,000 (the "Bonds"); and

WHEREAS, in accordance with Anchorage Municipal Code section 6.10.045, the Assembly may alter the general government capital improvement budget (CIB) and capital improvement program (CIP) by majority vote; and

WHEREAS, on November 17, 2020, the 2021 General Government CIB was approved by passage of AO 2020-106(S) as Amended, and the 2021-2026 General Government CIP was approved by passage of AR 2020-351(S) as Amended; now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Purpose. The Assembly hereby determines that the Projects are needed throughout the Municipality. The Assembly hereby determines that the best interest of the residents and property owners within the Municipality 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. The estimated cost of the Projects, including incidental costs and costs related to issuing and selling the Bonds as provided in this ordinance, is estimated to be \$8,055,000.

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

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

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

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

For the purpose of providing funds for the undertaking of the Projects, which are hereby found to be a public purpose and in the public interest, the Municipality hereby proposes to issue general obligation bonded indebtedness in an amount not to exceed Eight Million Fifty-Five Thousand Dollars (\$8,055,000).

Section 2. Details of Bonds. The Bonds shall be sold in such amounts and at such time or times as deemed necessary and advisable by the Assembly and as permitted by law and shall mature over a period of up to 20 years from date of issue. The Bonds shall be issued in an aggregate principal amount of not to exceed \$8,055,000. The Bonds shall bear interest to be fixed at the time of sale or sales thereof. The exact form, terms, conditions, contents, security, options of redemption, and such other matters relating to the issuance and sale of said Bonds as are deemed necessary and advisable by the Assembly shall be as hereinafter determined and/or delegated by ordinance and/or resolution of the Assembly.

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

Section 3. Ballot Propositions. The Assembly hereby submits to the qualified voters of the Municipality **two separate [THE]** propositions of whether or not the Municipality should issue the Bonds for the purpose of financing the costs of the approved Projects at the regular municipal election to be held on April 6, 2021.

The Clerk shall prepare the ballot propositions to be submitted to the voters as provided by this ordinance and the Municipal Code and shall perform all necessary steps in accordance with law to place **these [THIS]** propositions before the voters at the regular election. The propositions must receive an areawide majority vote of those in the Municipality voting on the question to be approved. The **first** proposition shall be substantially in the following form:

PROPOSITION NO. ____

AREAWIDE FACILITIES CAPITAL IMPROVEMENT PROJECT BONDS FOR ANCHORAGE AND CHUGIAK - EAGLE RIVER SENIOR CENTERS, AND LOUSSAC LIBRARY

For the purpose of providing areawide facilities capital improvements within the Municipality of Anchorage **for** **[, INCLUDING AT]** the Anchorage and Chugiak - **Eagle River** Senior Centers and the Loussac Library, said improvements involving building safety rehabilitation and upgrades, facility renovations, code improvement projects, **[POOL FILTRATION SYSTEM, PUBLIC RESTROOMS, SOLAR PANEL ENERGY SAVING IMPROVEMENTS]** and related capital improvements, as provided in AO 2021-____, shall Anchorage borrow money and issue up to **\$1,150,000 [\$8,055,000]** in principal amount of general obligation bonds **[AND**

INCREASE THE MUNICIPAL TAX CAP BY AN ANNUAL AMOUNT NOT TO EXCEED \$40,000 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 2021 areawide assessed valuation in Anchorage): (i) an annual increase in taxes of approximately \$0.25 [\$1.72] to retire the proposed bonds, AND (ii) **AN ANNUAL INCREASE IN THE MUNICIPAL TAX CAP (CHARTER 14.03(B)(2)) OF APPROXIMATELY \$0.12 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 areawide within Anchorage. The Municipality will also pledge its full faith and credit for payment of the bonds.

☐ YES ☐ NO

And the second proposition shall be in substantially the following form:

PROPOSITION NO. _____

AREAWIDE FACILITIES CAPITAL IMPROVEMENT PROJECT BONDS

For the purpose of providing areawide facilities capital improvements within the Municipality of Anchorage, said improvements involving building safety rehabilitation and upgrades, facility renovations, code improvement projects, pool filtration system, public restrooms, solar panel energy saving improvements and related capital improvements, as provided in AO 2021-_____, shall Anchorage borrow money and issue up to \$6,905,000 in principal amount of general obligation bonds and increase the municipal tax cap by an annual amount not to exceed \$40,000 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 2021 areawide assessed valuation in Anchorage): (i) an annual increase in taxes of approximately \$1.47 to retire the proposed bonds, and (ii) an annual increase in the municipal tax cap (Charter 14.03(b)(2)) of approximately \$0.12 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 areawide within Anchorage. The Municipality will also pledge its full faith and credit for payment of the bonds.

☐ YES ☐ NO

Section 4. 2021 General Government CIB and 2021-2026 General Government CIP. The 2021 General Government CIB and the 2021-2026 General Government CIP are hereby revised to include the changes as identified in the accompanying Assembly Memorandum and Exhibit A-revision1.

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 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 13-2021(A)

Meeting Date: January 26, 2021

From: Assembly Member Kennedy

Subject: AO 2021-6(S): AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTIONS OF THE ISSUANCE OF NOT TO EXCEED EIGHT MILLION FIFTY-FIVE THOUSAND DOLLARS (\$8,055,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE FACILITIES CAPITAL IMPROVEMENT PROJECTS, 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 6, 2021 AND AMENDING THE 2021 GENERAL GOVERNMENT CAPITAL IMPROVEMENT BUDGET (CIB) AND THE 2021-2026 GENERAL GOVERNMENT CAPITAL IMPROVEMENT PROGRAM (CIP).

The attached S-version of the ordinance will place two separate general obligation bond propositions for Areawide Facilities Improvements on the ballot for the regular Municipal election to be held on April 6, 2021, instead of one. There is no change to the projects list, the S-version only splits the projects between two separate proposition questions, as shown in Exhibit A-revised. The Loussac Library and Anchorage and Chugiak – Eagle River Senior Centers are important capital improvement projects and I believe they have a better chance of being approved if separated from the other projects on the list in the originally proposed ordinance. There is no change to the total aggregate amounts.

The original AM 13-2021 is still applicable, except for the Exhibit. New Exhibit A-revised attached here should be used in its place.

I recommend approval of the S-version of the ordinance.

Prepared By: Assembly Counsel's Office
Respectfully submitted: Crystal Kennedy, Assembly Member
District 2, Eagle River, Chugiak, and Birchwood

EXHIBIT A-revised

Areawide Facilities Improvements 2021 Bond Project List (000)'s

First Proposition

<u>Project</u>	<u>Amount</u>	<u>O&M</u>
Loussac Library - Alaska Room	\$ 500	--
Anchorage Senior Center Renovations	350	--
Chugiak – Eagle River Senior Center Phase II and III	300	--
Subtotal	\$1,150	-

Second Proposition

<u>Project</u>	<u>Amount</u>	<u>O&M</u>
Anchorage Health Facility Safety & Code Upgrades	2,500	--
Facility Safety/Code Upgrades	500	--
Major Municipal Facility Fire Alarm System Replacement Phase III	400	--
Pool Filtration System	500	-
Major Municipal Facility Upgrade Projects - Deferred	680	-
Public Restrooms	325	\$40
Solar Panel Energy Saving Improvements	2,000	-
Subtotal	\$6,905	\$40
 Total both Propositions, all Projects	 \$8,055	 \$40