

Municipal Clerk's Office
Immediate Reconsideration

Failed

Date: **January 26, 2021**

Approved

Date: **January 26, 2021**

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2021-8

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 THIRTY-SIX MILLION FOUR HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$36,425,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF ROAD AND STORM DRAINAGE CAPITAL IMPROVEMENTS IN THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA AND RELATED CAPITAL IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA, 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).

Prepared by

K&L GATES LLP

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2021-8**

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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. 2021-8**

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 THIRTY-SIX MILLION FOUR HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$36,425,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF ROAD AND STORM DRAINAGE CAPITAL IMPROVEMENTS IN THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA AND RELATED CAPITAL IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA, 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 interests of the citizens and property owners in the Anchorage Roads and Drainage Service Area serving the Municipality of Anchorage, Alaska (the "Municipality") require the Municipality to acquire, construct, renovate, upgrade and undertake certain road improvements, roadway safety improvements, storm collection drainage and treatment 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 \$36,425,000 (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 of the Municipality hereby determines that the roads and storm drainage within the Anchorage Roads and Drainage Service Area are in need of the Projects. The Assembly hereby determines that the best interests of the residents and property owners within the Anchorage Roads and Drainage 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. 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 \$36,425,000.

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, 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, all of 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 their completion found to be impractical, the Municipality may apply Bond proceeds or any portion thereof to other Municipality road and storm drainage capital improvements within the Anchorage Roads and Drainage Service Area 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 Thirty-Six Million Four Hundred Twenty-Five Thousand Dollars (\$36,425,000).

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 \$36,425,000. 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. The principal of and interest on the Bonds are to be paid first from ad valorem taxes levied and collected within the Anchorage Roads and Drainage Service Area.

Section 3. Ballot Proposition. The Assembly hereby submits to the qualified voters of the Municipality the proposition 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 proposition 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 this proposition before the voters at the regular election. The proposition must receive a majority vote of those in the Municipality voting, both in the Anchorage Roads and Drainage Service Area and areawide, on the question to be approved. The proposition shall be substantially in the following form:

PROPOSITION NO. ____

**ANCHORAGE ROADS AND DRAINAGE SERVICE
AREA ROAD AND STORM DRAINAGE BONDS**

For the purpose of providing roads and storm drainage capital acquisition, construction, renovation, upgrades and related capital improvements in the Anchorage Roads and Drainage Service Area, as provided in AO 2021-__, shall Anchorage borrow money and issue up to \$36,425,000 in principal amount of general obligation bonds and increase the municipal tax cap by

an annual amount not to exceed \$809,000 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 assessed valuation in the Anchorage Roads and Drainage Service Area): (i) an annual increase in taxes of approximately \$9.92 to retire the proposed bonds, and (ii) an annual increase in the municipal tax cap (Charter 14.03(b)(2)) of approximately \$2.99 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 Roads and Drainage 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 debt.

☐ 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.

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 19-2021

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 THIRTY-SIX MILLION FOUR HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$36,425,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF ROAD AND STORM DRAINAGE CAPITAL IMPROVEMENTS IN THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA AND RELATED CAPITAL IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA, 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 ordinance will place a general obligation bond proposition for the Anchorage Roads and Drainage Service Area (ARDSA) on the ballot for the regular Municipal election to be held on April 6, 2021.

The 2021 General Government CIB, approved by passage of AO 2020-106(S) as Amended, and the 2021-2026 General Government CIP approved by passage of AR 2020-351(S) as Amended will be amended as follows, with passage of the attached ordinance:

* Heavy Equipment Fleet Vehicles \$955,000 is added

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

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

AM 2021 ARDSA Prop.doc

EXHIBIT A

Anchorage Road and Drainage Service Area 2021 Bond Project List (000)'s

<u>Project</u>	<u>Amount</u>	<u>O&M</u>
15th Ave Surface Rehab - Minnesota Dr to Gambell St	\$ 1,500	\$ 20
42nd Ave Upgrade - Lake Otis Pkwy to Florina St	1,500	--
48th Ave/Cordova St Reconstruction Old Seward Hwy to International Airport Rd	750	--
ADA Improvements	500	2
Alaska Railroad Crossing Rehabs	500	20
AMATS: 4th Ave Signals and Lighting - Cordova St to Ingra St	270	25
AMATS: Dr. Martin Luther King Jr. Ave Extension	160	--
AMATS: Spenard Rd Rehabilitation - Benson Blvd to Minnesota Dr	160	--
Anchorage Signal System, Signage, and Safety Improvements	500	5
ARDSA Alley Paving	300	--
ARDSA Street Light Improvements	500	--
Boundary Ave Surface Rehab - Oklahoma St to Muldoon Rd	1,500	10
Campbell Woods Subd Area Road and Drainage Improvements	3,100	50
Downtown Lighting and Signals Upgrades	3,000	25
E 20th Ave Pedestrian Improvements - Tikishla Park to Bragraw St	300	--
Ellen Ave Improvements - Klatt Rd to 123rd Ave	250	25
Flooding, Glaciation, and Drainage Annual Program	1,750	15
Four Seasons Mobile Home Park Area Storm Drain Improvements	250	--
Hacienda Dr Drainage Improvements	150	5
Image Dr/Reflection Dr Area Road Reconstruction	3,000	75
Intersection Resurfacing	150	--
Lakehurst Dr Area Drainage Improvements Phase IV	200	2
Low Impact Development Annual Program	250	10
M St Improvements - 4th Ave to 5th Ave	1,500	25
Mountain View Dr Surface Rehab - Taylor St to McCarrey St	1,300	10
Nathan Dr/74th Ave Area Drainage and Resurfacing	350	15
Pavement and Subbase Rehabilitation	1,000	60
Pedestrian Safety and Rehab Annual Program	1,000	75
Providence Dr/University Dr Surface Rehab - Lake Otis Pkwy to east end	250	--
Quinhagak St Upgrade - E Dowling Rd to Askeland Dr	500	--
Road and Storm Drain Improvements Annual Program	1,750	15
Sound Barrier/Retaining Wall Replacement	250	--
Storm Drain Condition Assessment and Rehabilitation Program	1,000	--
Ticia Cir/Ashley Cir Area Drainage Improvements	2,300	25
Traffic Calming and Safety Improvements	1,000	60
Valley St Improvements - 6th Ave to 10th Ave.	300	35
W 32nd and E 33rd Ave Upgrades - Spenard Rd to Old Seward Hwy	1,500	150
West Anchorage Snow Disposal Site	470	--
Zodiac Manor Subd Area Surface Rehab Phase II	300	50
Pine Street and Reka Drive - remove pullout pavement and replace with a continuation of the paved trail, curb, and drainage inlets along with some nice landscaping	160	--
Heavy Equipment Fleet Vehicles	955	--
Total	\$36,425	\$809

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects General Government

AO Number: 2021-8

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 THIRTY-SIX MILLION FOUR HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$36,425,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF ROAD AND STORM DRAINAGE CAPITAL IMPROVEMENTS IN THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA AND RELATED CAPITAL IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA, 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).

Sponsor: Acting Mayor

Preparing Agency: Public Finance Division

Others Impacted: ARDSA

CHANGES IN EXPENDITURES AND REVENUES:

(Thousands of Dollars)

	FY21	FY22	FY23	FY24	FY25
<hr/>					
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	--	809.0	809.0	809.0	809.0
4000 Debt Service	--	2,680.2	2,680.2	2,680.2	2,680.2
5000 Capital Outlay					
<hr/>					
TOTAL DIRECT COSTS:	--	3,489.2	3,489.2	3,489.2	3,489.2

ADD: 6000 Charge from Others

FUNCTION COST:

REVENUES:

CAPITAL:

POSITIONS: FT/PT and Temp.

PUBLIC SECTOR ECONOMIC EFFECTS:

Estimated annual debt service of \$2,680,215 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 \$809,000.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately \$2,680,215 equate to an estimated property tax increase of 0.0992 mills or \$9.92 per year on \$100,000 of assessed valuation in the ARDSA.

When fully operational, increased annual operations and maintenance costs are estimated at \$809,000 and equate to an estimated property tax increase of 0.0299 mills or \$2.99 per year on \$100,000 of assessed valuation in the ARDSA and an increase in the Municipal tax cap limitation.

The total private sector economic effect would therefore be a total of \$12.91 per \$100,000 of assessed valuation in the ARDSA.