

Municipal Clerk's Office  
**Approved**  
Date: **October 23, 2018**

Submitted by: Chair of the Assembly at  
the Request of the Mayor  
Prepared by: Solid Waste Services Staff  
and Public Finance Staff  
For reading: September 11, 2018

**ANCHORAGE, ALASKA**  
**AO No. 2018-75**

1 AN ORDINANCE AUTHORIZING ACQUISITION OF REAL PROPERTY LOCATED  
2 SOUTH OF EAST 56<sup>th</sup> AVENUE AND WEST OF HOMER DRIVE, LEGALLY  
3 DESCRIBED AS LOTS 1 AND 2 BLOCK 1 FYFE SUBDIVISION (PLAT 72-57); EAST  
4 AND WEST PORTIONS OF SW4 SW4 SE4 SW4 SW4 SEC 32 T13N R3W; PARCEL 1-  
5 21 N2 NE4 SW4 SW4 PORTION WITHIN SEC 32 T13N R3W; AND PARCEL 1-22 S2  
6 NE4 SW4 SW4, N2 SE4 SW4 SW4 PORTION WITHIN SEC 32 T13N R3W (PID 009-281-  
7 70; 009-281-71; 009-284-09; 009-284-10; 009-284-01; 009-284-02), FOR A PURCHASE  
8 PRICE, INCLUDING RELATED EXPENSES, IN AN AMOUNT NOT TO EXCEED  
9 SEVENTEEN MILLION DOLLARS (\$17,000,000); APPROPRIATING THE PROCEEDS  
10 OF SOLID WASTE UTILITY REVENUE NOTES AND OR BONDS (COLLECTION AND  
11 DISPOSAL); APPROPRIATING PROCEEDS FROM THE NOTES AND OR BONDS IN  
12 AN AMOUNT NOT TO EXCEED SEVENTEEN MILLION DOLLARS (\$17,000,000) SPLIT  
13 BETWEEN THE SOLID WASTE DISPOSAL SERVICES (SWS) FUND (562000) IN THE  
14 AMOUNT OF TEN MILLION TWO HUNDRED THOUSAND (\$10,200,000) AND TO THE  
15 SOLID WASTE COLLECTION SERVICES FUND (560000) IN THE AMOUNT OF SIX  
16 MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$6,800,000); AND FURTHER  
17 APPROPRIATING THE PROCEEDS OF THE NOTES AND OR BONDS AS A  
18 CONTRIBUTION TO THE SWS CAPITAL IMPROVEMENT PROJECT FUNDS (562200)  
19 AND (560200) RESPECTIVELY; AND REVISING BOTH SOLID WASTE SERVICES'  
20 2018 CAPITAL IMPROVEMENT BUDGET AND SOLID WASTE SERVICES' 2018-2023  
21 CAPITAL IMPROVEMENT PLAN.  
22

23  
24 **WHEREAS**, Solid Waste Services (SWS) has prepared an Integrated Solid Waste Master  
25 Plan (the "Plan") which includes redevelopment of the SWS Central Transfer Station  
26 ("CTS"); and  
27

28 **WHEREAS**, the CTS is over thirty years old and many critical structural and mechanical  
29 components of the facility are at or beyond the extent of their useful design life and no  
30 longer efficiently meets the needs of the community; and  
31

32 **WHEREAS**, the Municipality of Anchorage (MOA) proposes to acquire real property,  
33 legally described as Lots 1 and 2 Block 1 Fyfe Subdivision (Plat 72-57); east and west  
34 portions of SW4 SW4 SE4 SW4 SW4 SEC 32 T13N R3W; Parcel 1-21 N2 NE4 SW4  
35 SW4 portion within SEC 32 T13N R3W; and Parcel 1-22 S2 NE4 SW4 SW4, N2 SE4  
36 SW4 SW4 portion within SEC 32 T13N R3W (PID 009-281-70; 009-281-71; 009-284-09;  
37 009-284-10; 009-284-01; 009-284-02) (the "Property"), and pay related expenses, for an  
38 amount not to exceed Seventeen Million Dollars (\$17,000,000); and  
39

40 **WHEREAS**, the Property will be developed for the construction of a new modern CTS  
41 facility with minimal disruption to the existing CTS; and  
42

1 **WHEREAS**, the MOA proposes to finance the purchase price and related expenses of the  
2 Property with the proceeds of revenue notes and or bonds payable from allocations of  
3 revenues of the Refuse Collection Utility and Solid Waste Disposal Utility (the "Bonds");  
4 and  
5

6 **WHEREAS**, the related expenses are defined to include, but are not limited to, closing  
7 costs, loan fees, debt issuance fees and predevelopment activities; and  
8

9 **WHEREAS**, in accordance with Anchorage Municipal Code section 6.10.045, the  
10 Assembly may alter the SWS Capital Improvement Budgets (CIB) and Capital  
11 Improvement Programs (CIP) by majority vote; and  
12

13 **WHEREAS**, the SWS 2018 CIB was approved by passage of AO 2017-126 on 11/21/17  
14 and the SWS 2018-2023 CIP was approved by passage of AR 2017-306 on 11/21/17;  
15 now, therefore,  
16

17 **THE ANCHORAGE ASSEMBLY ORDAINS:**  
18

19 **Section 1.** The MOA is hereby authorized to acquire the Property and pay for related  
20 expenses, for an aggregate amount not to exceed Seventeen Million Dollars  
21 (\$17,000,000) as part of the Plan. The purchase price and related expenses for the  
22 Property are intended to be financed with a portion of the proceeds of the Bonds  
23 authorized by ordinance of the Municipality.  
24

25 **Section 2.** The proceeds from the Bonds are hereby appropriated to the SWS Disposal  
26 Fund (562000) in the amount of Ten Million Two Hundred Thousand Dollars  
27 (\$10,200,000) and Six Million Eight Hundred Thousand Dollars (\$6,800,000) to the SWS  
28 Collections Fund (560000) and are further appropriated as a contribution to SWS Capital  
29 Improvement Project Funds (562200) and (560200) respectively, provided that the total  
30 appropriation shall not exceed Seventeen Million Dollars (\$17,000,000).  
31

32 **Section 3.** The purchase of the Property under this authorization shall be made on or  
33 prior to June 30, 2019. If the purchase of the Property is not made by June 30, 2019, all  
34 authority granted in this Ordinance shall expire and be null and void on July 1, 2019.  
35

36 **Section 4.** The SWS 2018 CIB and 2018-2023 CIP are hereby revised to include the  
37 acquisition of the Property.  
38

39 **Section 5.** This Ordinance shall be effective immediately upon passage and approval  
40 by the Assembly.  
41

42 PASSED AND APPROVED by the Anchorage Assembly this 23rd day of October, 2018.  
43  
44

45 \_\_\_\_\_  
46 Chair

47 ATTEST:  
48  
49

50 \_\_\_\_\_  
Municipal Clerk

**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects - Utilities**

AO Number: 2018-75 Title: AN ORDINANCE AUTHORIZING ACQUISITION OF REAL PROPERTY LOCATED SOUTH OF EAST 56th AVENUE AND WEST OF HOMER DRIVE, LEGALLY DESCRIBED AS LOTS 1 AND 2 BLOCK 1 FYFE SUBDIVISION (PLAT 72-57); EAST AND WEST PORTIONS OF SW4 SW4 SE4 SW4 SW4 SEC 32 T13N R3W; PARCEL 1-21 N2 NE4 SW4 SW4 PORTION WITHIN SEC 32 T13N R3W; AND PARCEL 1-22 S2 NE4 SW4 SW4, N2 SE4 SW4 SW4 PORTION WITHIN SEC 32 T13N R3W (PID 009-281-70; 009-281-71; 009-284-09; 009-284-10; 009-284-01; 009-284-02), FOR A PURCHASE PRICE, INCLUDING RELATED EXPENSES, IN AN AMOUNT NOT TO EXCEED SEVENTEEN MILLION DOLLARS (\$17,000,000); APPROPRIATING THE PROCEEDS OF SOLID WASTE UTILITY REVENUE NOTES AND OR BONDS (COLLECTION AND DISPOSAL); APPROPRIATING PROCEEDS FROM THE NOTES AND OR BONDS IN AN AMOUNT NOT TO EXCEED SEVENTEEN MILLION DOLLARS (\$17,000,000) TO THE SOLID WASTE DISPOSAL SERVICES (SWS) FUND (562000) IN THE AMOUNT OF TEN MILLION TWO HUNDRED THOUSAND DOLLARS (\$10,200,000) AND TO THE SOLID WASTE COLLECTION SERVICES FUND (560000) IN THE AMOUNT OF SIX MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$6,800,000); AND FURTHER APPROPRIATING THE PROCEEDS OF THE NOTES AND OR BONDS AS A CONTRIBUTION TO THE SWS CAPITAL IMPROVEMENT PROJECT FUNDS (562200) AND (560200) RESPECTIVELY; AND REVISING BOTH SOLID WASTE SERVICES' 2018 CAPITAL IMPROVEMENT BUDGET AND SOLID WASTE SERVICES' 2018-2023 CAPITAL IMPROVEMENT PLAN.

Sponsor: Mayor  
 Preparing Agency: Finance, Public Finance and Investments Division  
 Others Impacted: Solid Waste Disposal Utility and Refuse Collection Utility

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**CHANGES IN REVENUES AND EXPENSES:** (In Thousands of Dollars)  
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	FY18	FY19	FY20	FY21	FY22
-----					
Operating Revenues					
-----					
<b>TOTAL OPERATING REVENUES:</b>					
-----					
Operating Expenses					
4000 Debt Service	28	340	340	340	340
-----					
<b>TOTAL OPERATING EXPENSES:</b>	28	340	340	340	340
-----					
Non-Operating Revenues					
-----					
<b>TOTAL NON-OPERATING REVENUES:</b>					
-----					
Non-Operating Expenses					
-----					
<b>TOTAL NON-OPERATING EXPENSES:</b>					
-----					
<b>NET INCOME (REGULATED):</b>					

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POSITIONS FT/PT and Temp:

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**NOTES:**

**PUBLIC SECTOR ECONOMIC EFFECTS:**

Debt Service is forecasted based upon \$17,000,000 of short term borrowing program notes sold at 2.00% and interest only is paid through the year 2022.

**PRIVATE SECTOR ECONOMIC EFFECTS:**

No impact.



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 568-2018

Meeting Date: September 11, 2018

1 **From:** MAYOR

2  
3 **Subject:** AN ORDINANCE AUTHORIZING ACQUISITION OF REAL  
4 PROPERTY LOCATED SOUTH OF EAST 56<sup>th</sup> AVENUE AND WEST  
5 OF HOMER DRIVE, LEGALLY DESCRIBED AS LOTS 1 AND 2  
6 BLOCK 1 FYFE SUBDIVISION (PLAT 72-57); EAST AND WEST  
7 PORTIONS OF SW4 SW4 SE4 SW4 SW4 SEC 32 T13N R3W;  
8 PARCEL 1-21 N2 NE4 SW4 SW4 PORTION WITHIN SEC 32 T13N  
9 R3W; AND PARCEL 1-22 S2 NE4 SW4 SW4, N2 SE4 SW4 SW4  
10 PORTION WITHIN SEC 32 T13N R3W (PID 009-281-70; 009-281-  
11 71; 009-284-09; 009-284-10; 009-284-01; 009-284-02), FOR A  
12 PURCHASE PRICE, INCLUDING RELATED EXPENSES, IN AN  
13 AMOUNT NOT TO EXCEED SEVENTEEN MILLION DOLLARS  
14 (\$17,000,000); APPROPRIATING THE PROCEEDS OF SOLID  
15 WASTE UTILITY REVENUE NOTES AND OR BONDS  
16 (COLLECTION AND DISPOSAL); APPROPRIATING PROCEEDS  
17 FROM THE NOTES AND OR BONDS IN AN AMOUNT NOT TO  
18 EXCEED SEVENTEEN MILLION DOLLARS (\$17,000,000) SPLIT  
19 BETWEEN THE SOLID WASTE DISPOSAL SERVICES (SWS)  
20 FUND (562000) IN THE AMOUNT OF TEN MILLION TWO  
21 HUNDRED THOUSAND (\$10,200,000) AND TO THE SOLID WASTE  
22 COLLECTION SERVICES FUND (560000) IN THE AMOUNT OF SIX  
23 MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$6,800,000);  
24 AND FURTHER APPROPRIATING THE PROCEEDS OF THE  
25 NOTES AND OR BONDS AS A CONTRIBUTION TO THE SWS  
26 CAPITAL IMPROVEMENT PROJECT FUNDS (562200) AND  
27 (560200) RESPECTIVELY; AND REVISING BOTH SOLID WASTE  
28 SERVICES' 2018 CAPITAL IMPROVEMENT BUDGET AND SOLID  
29 WASTE SERVICES' 2018-2023 CAPITAL IMPROVEMENT PLAN.  
30

### 31 Purpose of the Ordinance

32  
33 This ordinance authorizes the Municipality of Anchorage (MOA) to purchase real  
34 property, legally described as Lots 1 and 2 Block 1 Fyfe Subdivision (Plat 72-57);  
35 east and west portions of SW4 SW4 SE4 SW4 SW4 SEC 32 T13N R3W; Parcel 1-  
36 21 N2 NE4 SW4 SW4 portion within SEC 32 T13N R3W; and Parcel 1-22 S2 NE4  
37 SW4 SW4, N2 SE4 SW4 SW4 portion within SEC 32 T13N R3W (PID 009-281-70;  
38 009-281-71; 009-284-09; 009-284-10; 009-284-01; 009-284-02) (the "Property") and  
39 pay related expenses, for an amount not to exceed Seventeen Million Dollars  
40 (\$17,000,000). The purchase will be paid from the proceeds of revenue notes and  
41 or bonds (the "Bonds"), payable proportionately from revenues of the refuse  
42 collection utility and the solid waste disposal utilities of the Municipality.

1 Additionally, the ordinance appropriates the proceeds from the Bonds to the SWS  
2 Areawide General Fund and further appropriates the funds to SWS Areawide  
3 General Capital Improvement Fund.

4  
5 An ordinance authorizing SWS' Integrated Solid Waste Master Plan (the "Plan") of  
6 which this land purchase is an integral part of, is subject to approval by the  
7 Municipal Assembly.

8 **Background**

9  
10 This currently privately owned vacant land is approximately 27.64 acres and zoned  
11 I-1 (Light Industrial District). The parcels are located immediately south of the MOA  
12 SWS Central Transfer Station (CTS) on 56<sup>th</sup> Avenue; bounded by 56<sup>th</sup> Avenue on  
13 the north, Homer Drive on the east, and commercial properties along Dowling Road  
14 and the Old Seward Highway on the south and west, respectively.

15  
16 The CTS was initially constructed as a waste shredder plant in 1975 and  
17 repurposed to a transfer station as part of the development which closed the Merrill  
18 Field landfill and created the Anchorage Regional Landfill (ARL) in 1987. Each day,  
19 over 800 tons of waste, approximately 80 percent of all waste delivered to the ARL  
20 crosses the CTS tipping floor. Its central location within the Anchorage Bowl affords  
21 waste haulers, including the Municipal Refuse Collection Utility, numerous private  
22 commercial waste haulers, and the general public an economical and efficient  
23 location to deliver trash.

24  
25 All components of CTS are between thirty and forty years old and reached the end  
26 of their useful life. A 2015 building assessment survey and evaluation study  
27 identified deterioration of the metal roof, in several places resulting in severe  
28 corrosion of the underlying structural roof members. Columns supporting the  
29 structure have incurred damage resulting from trash handling activities. The loading  
30 tunnel beneath the tipping floor relies on a snow-melt system. This system uses  
31 two large boilers which are highly inefficient and nearing replacement to circulate  
32 glycol through a piping network which is also deteriorating. Poor lighting and  
33 insufficient separation of facility users from operating equipment create significant  
34 safety hazards. The facility site cannot accommodate the amount of traffic which  
35 uses the facility, particularly weekend residential traffic, which can average over  
36 1,000 users per day on summer Saturdays.

37  
38 Accomplishing the many needed repairs and upgrades will require either a complete  
39 shutdown of the CTS facility for nearly two years or numerous shorter duration  
40 shutdowns to accomplish the repairs in a piecemeal fashion over numerous years.  
41 Many of these shutdowns will be several months in duration, causing significant  
42 disruption and expense to community waste haulers and the general public.

43  
44 SWS is currently preparing an Integrated Solid Waste Master Plan which will guide  
45 future development and operation of solid waste management system within the  
46 MOA for several decades to come. One of the key components of the planning

1 process is the redevelopment of the CTS to continue support of waste disposal from  
2 Anchorage in an efficient manner, but to include potential waste diversion options  
3 necessary to extend the life of the existing landfill.  
4

5 The Property, which has recently become available on the commercial real estate  
6 market provides a unique opportunity for SWS to construct a new, modern facility  
7 with minimal disruption to the existing transfer station. The site occupies a central  
8 location similar to the existing facility, ensuring efficient and economic waste  
9 management. The site is large enough that a completely new facility could be  
10 constructed without interruption to transfer station activities, such as residential  
11 waste drop off, as well as allow for waste diversion activities, such as organics and  
12 other recyclables. Existing CTS facilities could be repurposed to support other  
13 municipal activities, such as grit management, vital to our storm drainage systems.  
14

### 15 **Financing and Source of Funds**

16  
17 The source of funds for financing the acquisition of the Property and related  
18 expenses, which may include, but are not limited to, appraisal costs, closing costs,  
19 loan fees, debt issuance fees and pre-development activities is proposed to be the  
20 Bonds. An ordinance authorizing SWS' Plan of Finance of which the Bonds are part  
21 of is subject to approval by the Municipal Assembly.  
22

### 23 **Timing of the Purchase**

24  
25 The proposed ordinance places a time limit on the time for purchasing the Property.  
26 The purchase of the Property must occur on or prior to June 30, 2019; otherwise,  
27 the authority granted by the ordinance will expire, on July 1, 2019.  
28

29 The Administration recommends a Public Hearing on October 23, 2018.  
30

31 The budget detail is proposed as follows:  
32

### 33 **REVENUE**

34 <u>Account Number</u>	<u>Description</u>	<u>Amount</u>
35 562000-201300-2018	STBP Payable	\$10,200,000
36 560000-201300-2018	STBP Payable	\$ 6,800,000
37		
38 562200-450010	Contributions from Other Funds	\$10,200,000
39 560200-450010	Contributions from Other Funds	\$ 6,800,000
40		

### 41 **EXPENDITURE**

42 <u>Account Number</u>	<u>Description</u>	<u>Amount</u>
43 562000-580530	Contributions to Other Funds	\$10,200,000
44 560000-580530	Contributions to Other Funds	\$ 6,800,000
45		
46 562200-570120	Land	\$10,200,000

1 560200-570120 Land \$ 6,800,000  
2

3 **THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE.**  
4

5 Prepared by: Mark Spafford, SWS General Manager and  
6 Ross Risvold, Public Finance Manager

7 Approved by: Robin E. Ward, Real Estate Director

8 Concur: Christopher M. Schutte, OECD Director

9 Concur: Mark Spafford, SWS General Manager

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

11 Fund Certification: Ross Risvold, Acting CFO, August 30, 2018

12 Proceeds of a SWS Plan of Finance which is subject to  
13 Municipal Assembly approval of an ordinance authorizing  
14 such Plan of Finance

15 Concur: Rebecca A. Windt Pearson, Municipal Attorney

16 Concur: William D. Falsey, Municipal Manager

17 Respectfully submitted: Ethan A. Berkowitz, Mayor