

# INTRODUCTION

This State of the City document is designed to update residents on the status of our beautiful community and highlight the results of the investments that have been made over the last several years.

We have been extremely fortunate during this period to have the support of local voters and our state and federal leaders. Through bonds and grants, we have received the funding that has allowed us to improve our city in so many areas. Our parks, trails, roads, and public facilities have all seen significant upgrades.

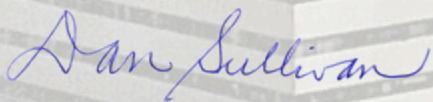
Our financial status is strong, with spending growth and property taxes at sustainable levels. We have reduced debt and continue to generate budget surpluses at year end, which enables us to pay for one-time expenses, like police academies and to provide tax relief.

Private sector confidence in Anchorage is high, as exhibited by the numerous commercial office and retail establishments recently constructed with more on the drawing board.

Anchorage's energy future, in doubt just a few years ago, is much brighter today. My work with Governor Parnell, the Legislature, and local leaders throughout Southcentral Alaska, has resulted in exciting new oil and gas exploration and production in Cook Inlet.

Challenges still remain. We are working hard to increase the number of police officers so we can improve our community policing efforts. We recently completed an academy with 20 graduates and another academy has just begun. Our new municipal operating system is taking longer to implement and costing much more than anticipated. We have brought new contractors on board who have successfully brought similar projects to closure.

All in all, the future of Anchorage is bright, and today we are Cleaner, Safer and Stronger than at any time in our history.



Mayor Dan Sullivan



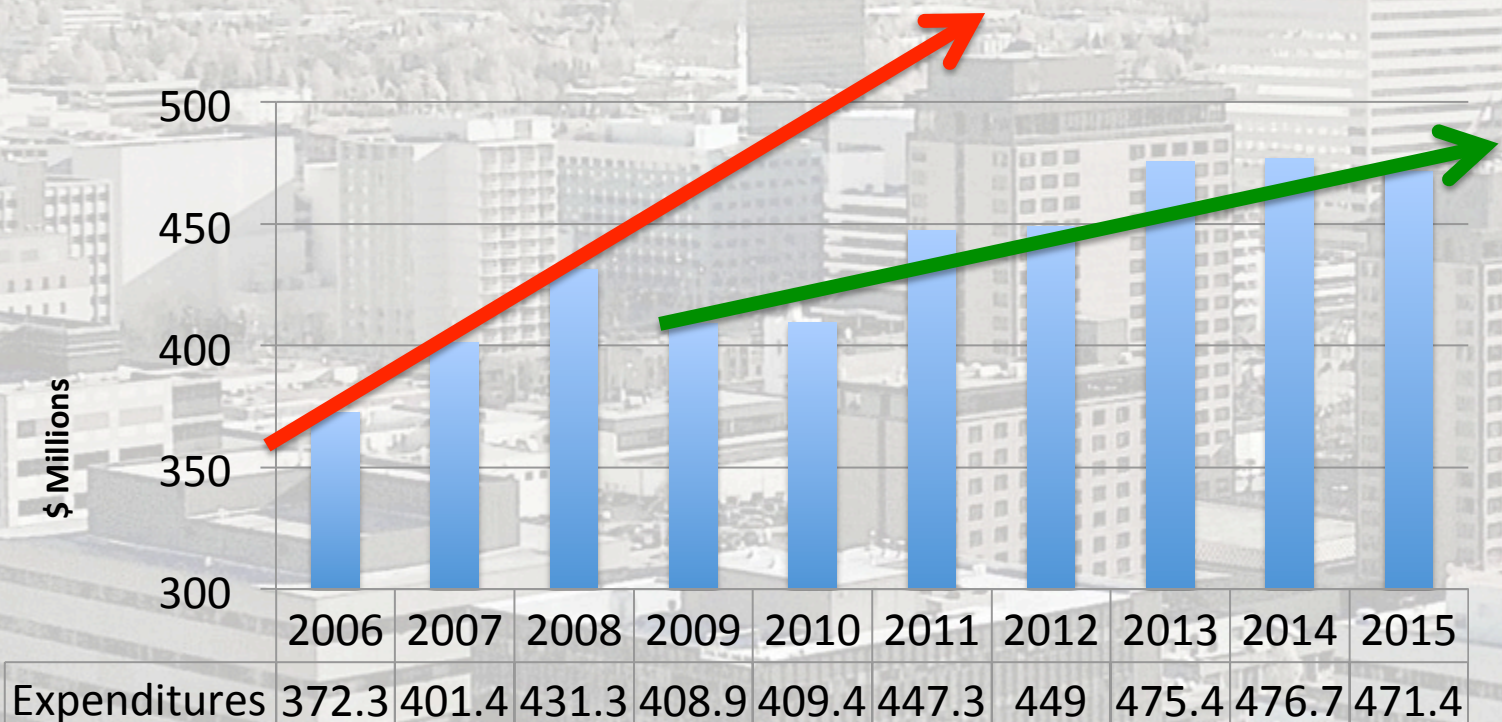
MAYOR DAN SULLIVAN | STATE OF THE CITY  
**INVESTING IN ANCHORAGE**



# 2006-2015 EXPENDITURE TRENDS

Over the last five years, my administration has worked tirelessly to correct expenditure trends to levels appropriate to the Anchorage economy. The rate at which expenditures were swelling during 2003-2008 was unsustainable. From 2009 to present, the rate of expansion has been drastically reduced and today the Municipality is spending approximately \$100 million less than it would have been if the prior rate had continued. Additionally, new debt incurred through bonds has been reduced to less than half of the near \$60 million of debt incurred in 2008.

**Budget grew \$142M from 2003 (\$289M) to 2008 (\$431M)**  
**Budget grew only \$45M from 2008 to 2015 (proposed)**



Sullivan Administration



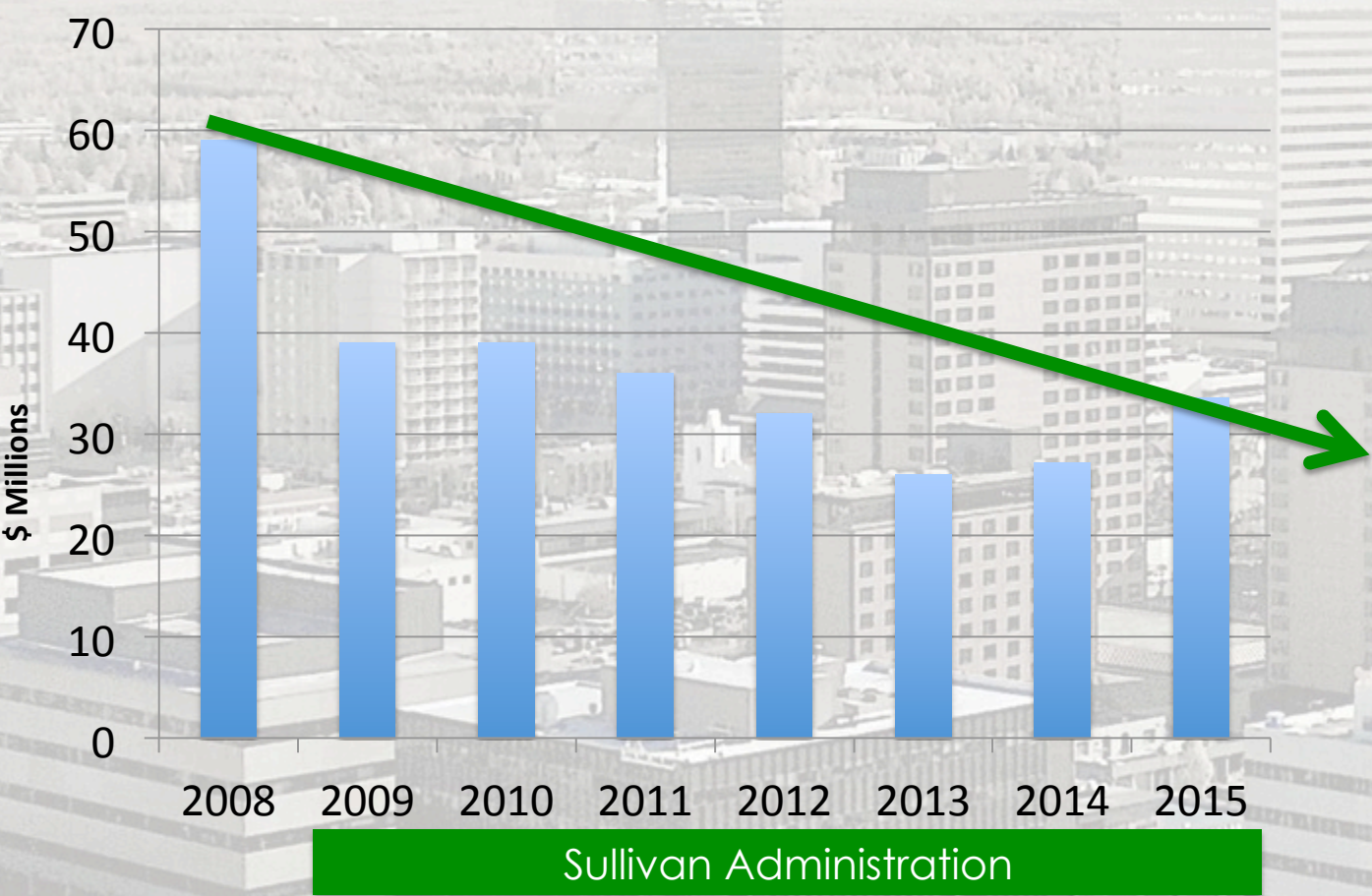
MAYOR DAN SULLIVAN | STATE OF THE CITY  
**INVESTING IN ANCHORAGE**



# DECREASING NEW DEBTS

Our strong financial management has earned Anchorage a AAA bond rating from Standard & Poor's. Of the 4,000 plus cities rated, approximately 340 have a AAA rating, putting Anchorage in truly elite company.

**BONDS: BALLOT PROPOSITIONS 2008 TO 2015**



MAYOR DAN SULLIVAN | STATE OF THE CITY  
**INVESTING IN ANCHORAGE**



# REAL RESULTS

**Five consecutive years with budget surplus.**

**AAA bond rating by Standard & Poor's.**



- Very strong management conditions with strong policies.
- Very strong budgetary flexibility.
- Adequate budgetary performance with a stable revenue base.
- Very strong, broad and diverse economy.
- Very strong liquidity providing very strong cash levels to cover both debt service and expenditures.
- Very strong debt and contingent liabilities position.



MAYOR DAN SULLIVAN | STATE OF THE CITY  
**INVESTING IN ANCHORAGE**



# PROPERTY TAX RELIEF

We have worked hard to make sure that we take advantage of every opportunity to save the taxpayers money while maintaining a high level of service. Our Finance Department is constantly looking at opportunities to refinance municipal debt at lower interest rates and we supported the voter initiative to put utility payments back under the cap, as was the intent of the founders of the tax cap.

**Debt Refinancing**  
**\$20.1M in Savings.**

**Restoring Tax Cap**  
**Utility Payments Back Under Cap.**  
**\$82M in Property Tax Replacement.**

**Taxing Below the Cap**  
**\$28M since 2010 Permanent Tax Relief.**  
**2012 ordinance restores practice of calculating following years tax cap with what was actually collected, not what could have been collected.**

**Total Property Tax Savings:**  
**Tax Under Cap & MUSA/MESA is \$110M.**



MAYOR DAN SULLIVAN | STATE OF THE CITY  
**INVESTING IN ANCHORAGE**



# CAPITAL BUDGET – 2014 HIGHLIGHTS

In 2014, voters approved five bonds totaling \$27,143,000. In addition, the municipality requests state funding for projects every year, this year the municipality received \$81,709,210.

## Local Bonds - \$27,143,000

- Area-wide Emergency Medical Services, Public Safety and Public Transportation \$1,793,000.
- Parks & Recreation \$2,550,000.
- Roads & Drainage \$20,200,000.
- Fire Service \$1,950,000.
- Police Service \$650,000.

## State Grants - \$ 81,709,210

- Sullivan Arena.
- Ben Boeke Ice Arena.
- Dempsey Anderson Ice Arena.
- Harry J. McDonald Memorial Center.
- Critical Road Improvements and Extensions.



MAYOR DAN SULLIVAN | STATE OF THE CITY  
**INVESTING IN ANCHORAGE**



# BONDS & GRANTS – 5 YEAR HISTORY

Over \$750,000,000 invested in Anchorage!

	<u>Fire</u>	<u>Parks &amp; Rec</u>	<u>Police</u>	<u>Public Works</u>	<u>Transit</u>	<u>Grand Total</u>
2010	1,400,000			37,090,000		38,490,000
2011	1,670,000		250,000	30,850,000	421,000	33,191,000
2012	520,000	2,300,000		28,562,000	428,000	31,810,000
2013	795,000	2,500,000	600,000	21,225,000	525,000	25,645,000
2014	2,470,000	2,550,000		21,550,000	573,000	27,143,000
Total \$	6,855,000	7,350,000	850,000	139,277,000	1,947,000	156,279,000

	Capital Bill No.	Fire	Police	Health & Human Services	Transit	Project Management & Engineering	Parks & Rec, Library, Museum	Facilities/ Misc	Other *	Total
2010	SB 230	150,000	450,000	-	250,000	47,901,000	2,206,000	13,125,000	10,155,000	74,237,000
2011	SB 46	1,477,100	3,466,300	-	-	49,527,850	80,000	551,150	30,000,000	85,102,400
2012	SB 160	3,266,700	3,100,000	-	1,075,000	106,125,250	6,963,150	31,267,375	98,500,000	250,297,475
2013	SB 18	1,550,000	-	-	-	65,910,244	1,313,000	38,492,500	-	107,265,744
2014	SB 119	-	-	850,000	-	38,016,210	5,250,000	37,593,000	-	81,709,210
Total \$		6,443,800	7,016,300	850,000	1,325,000	307,480,554	15,812,150	121,029,025	138,655,000	598,611,829



MAYOR DAN SULLIVAN | STATE OF THE CITY  
**INVESTING IN ANCHORAGE**



# ROAD & TRAIL IMPROVEMENTS

- \$372M in road improvement projects since 2009.
- New Envista System maps all Public Works projects and more! Visit [www.AnchorageRoads.org](http://www.AnchorageRoads.org) for more information.
- **Tony Knowles Coastal Trail**
  - \$2.37M to resurface over 7 miles of trail.
- **Lanie Fleischer Chester Creek Trail**
  - Investing over \$3.25M in over 6 miles of trail.
- **Greenbelt Trail pedestrian bridge repairs**
  - Currently invested over \$450,000 to repair and replace bridges.



MAYOR DAN SULLIVAN | STATE OF THE CITY  
**INVESTING IN ANCHORAGE**



# PARK IMPROVEMENTS

Five years ago, Anchorage parks were in troubled condition with a “D” rating. Since then we have invested in over 100 park improvement projects totaling \$20M in rehabilitation. And with over 460,000 hours of volunteer work, Anchorage parks have come a long way.

**Since 2009, over 100 park improvement projects investing \$20M in park rehabilitation.**

**Over 460,000 volunteer hours in Anchorage parks.**

**Youth Employment in Parks:**

**Since 2007, YEP has hired 228 Anchorage teens.**

**In 2015: 8 neighborhood park projects – \$1.5M investment.**



MAYOR DAN SULLIVAN | STATE OF THE CITY  
**INVESTING IN ANCHORAGE**



# FACILITY IMPROVEMENTS

This year special attention was given to upgrading our Project 80's facilities, including the Alaska Center for the Performing Arts, the Loussac Library and the Sullivan Arena.

**Sullivan Arena receiving over \$9 million in upgrades to include:**

- New scoreboard & sound system
- New refrigeration system.
- New dasher boards.
- New glass and seating.
- New boilers.
- Painting.

**Additional ice rink improvements citywide:**

- Ben Boeke Ice Arena \$5,905,000.
- Dempsey Anderson \$5,830,000.
- Harry J. McDonald Center \$4,000,000.



MAYOR DAN SULLIVAN | STATE OF THE CITY  
**INVESTING IN ANCHORAGE**



# FACILITY IMPROVEMENTS

**\$4,020,738 to Alaska Center  
For The Performing Arts.**

**\$12.5M to Anchorage  
Museum.**

**New Mountain View Branch  
Library.**

**\$16.8M in State capital  
grants for Loussac Library  
renovations & upgrades  
since 2010.**



MAYOR DAN SULLIVAN | STATE OF THE CITY  
**INVESTING IN ANCHORAGE**



# PUBLIC SAFETY – FIRE

Public safety is always a priority. This commitment is reflected in the investments the municipality has made in providing first responders with the best equipment and facilities so they can do the job to the best of their ability.

- **Fire Station 6, Muldoon, October 2012.**
- **Fire Station 5, Spenard, September 2013.**
- **Coming soon: new stations in Mountain View & Huffman areas.**
- **Replaced 3 ambulances at Fire Station 12 at Dimond and Old Seward, Fire Station 7 in Jewel Lake, and Fire Station 3 in Airport Heights.**
- **Added 2 personal water rescue crafts for Cook Inlet water rescues.**



MAYOR DAN SULLIVAN | STATE OF THE CITY  
**INVESTING IN ANCHORAGE**



# PUBLIC SAFETY – POLICE

Chief Mark Mew and the Anchorage Police Department continue to work toward reducing crime in Anchorage. If you compare the five-year average of crime from 2009-2013 versus 2004-2008, you will see an overall decline in crimes reported, including murder and aggravated assault. Even more remarkable is that fewer crimes are reported today than 30 years ago and Anchorage has grown by 100,000 people.

- **Five-year average better than previous five-year average.**
- **Fewer crimes reported than 30 years ago.**
- **Police Academies:**
  - 2011 – Graduated 26 Officers.
  - 2013 – Graduated 16 Officers.
  - 2014 – Graduated 20 Officers.
  - 2014 – New police academy began in October.
  - 2015 – New police academy scheduled for May.
- **Tactical Range: \$8.2M raised toward \$11M total.**
- **Tobacco Tax Evasion Case approximately \$1.3M.**

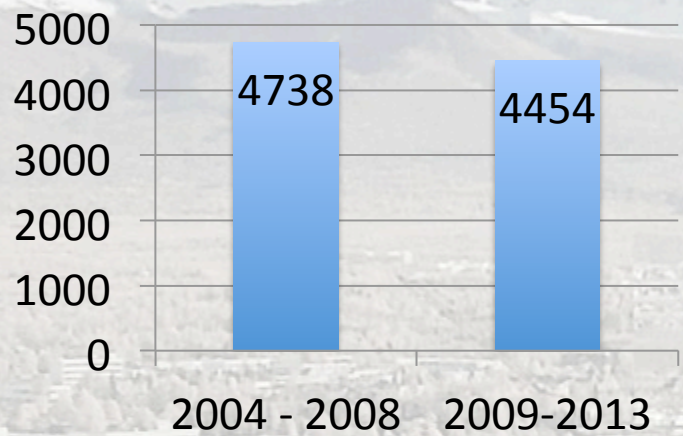


MAYOR DAN SULLIVAN | STATE OF THE CITY  
**INVESTING IN ANCHORAGE**

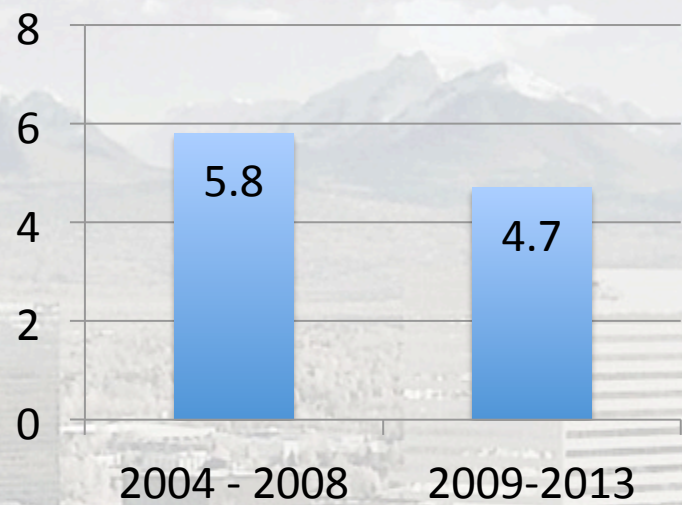


# PUBLIC SAFETY

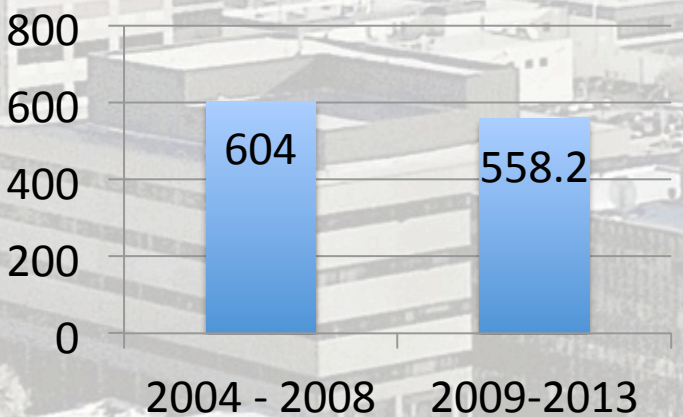
**Combined  
Incident Rate  
Per 100,000 Population**



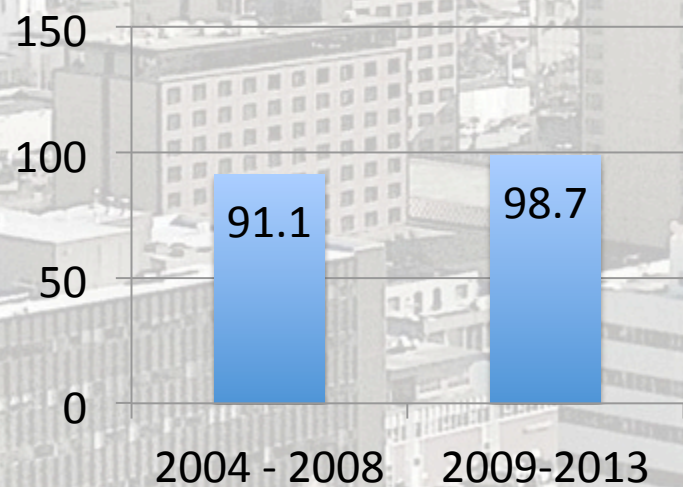
**Murder Rate  
Per 100,000 Population**



**Aggravated Assault  
Rate Per 100,000  
Population**



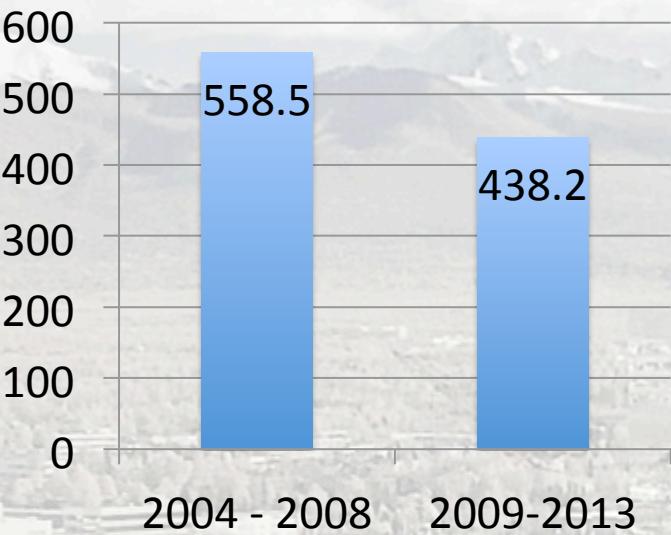
**Forcible Rape Rate  
Per 100,000 Population**



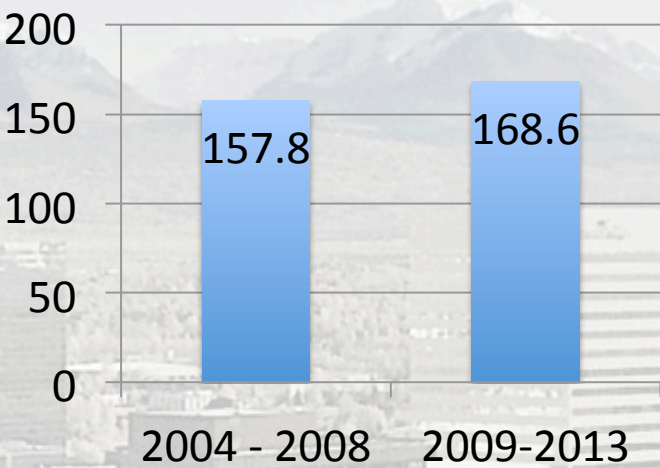


# PUBLIC SAFETY

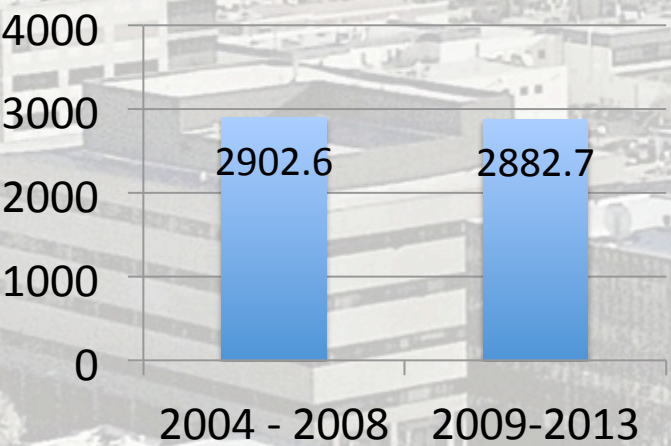
**Burglary Rate  
Per 100,000 Population**



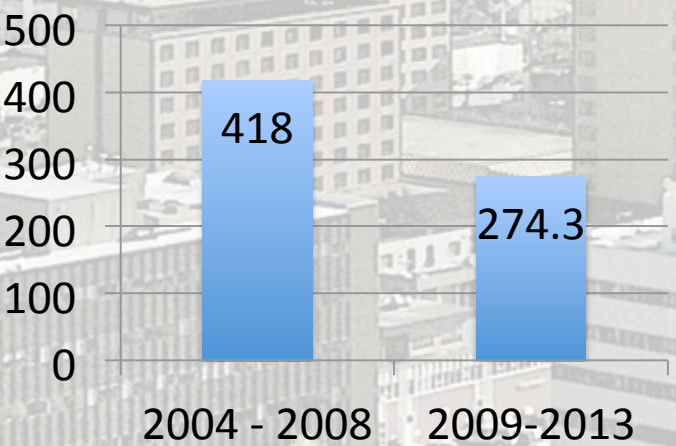
**Robbery Rate  
Per 100,000  
Population**



**Theft/Larceny Rate  
Per 100,000  
Population**



**Motor Vehicle Theft  
Rate Per 100,000  
Population**





# PRIVATE SECTOR INVESTMENTS

In addition to the investments made by the municipality in public facilities, the private sector continues to invest heavily in Anchorage – a reflection of the faith private investors have in the Anchorage economy.

- **Bass Pro Shops.**
- **Eklutna Inc. Commercial Plaza.**
- **CIRI Fireweed Business Center.**
- **TDX, Alaska Park Complex.**
- **Outlets of Alaska Mall.**
- **New Cabela's sporting goods store.**
- **New office building at International & C Street.**
- **Major renovations to Alaska Regional Hospital.**
- **Townplace Suites (being built behind Embassy Suites).**



MAYOR DAN SULLIVAN | STATE OF THE CITY  
**INVESTING IN ANCHORAGE**



# NON-PROFIT INVESTMENTS

- Blood Bank.
- YMCA Expansion.
- New Covenant House Facility.
- UAA Sports Center.
- UAA Engineering Building.
- Parking garage for Alaska Native Tribal Health Consortium.
- Remodel UAA Beatrice McDonald Hall.
- Providence Transitional Care.



MAYOR DAN SULLIVAN | STATE OF THE CITY  
**INVESTING IN ANCHORAGE**



# SHIP CREEK WATERFRONT

The Ship Creek Redevelopment plan will transform the Ship Creek area by creating an accessible waterfront, which Anchorage is lacking, as well as increased urban housing opportunities and retail space. The redevelopment plan was approved by the Planning and Zoning Commission and the Anchorage Assembly. The first step toward this generational project will be the connection of the Ship Creek Trail and the Tony Knowles Coastal Trail.



MAYOR DAN SULLIVAN | STATE OF THE CITY  
**INVESTING IN ANCHORAGE**



# PORT OF ANCHORAGE

One of the biggest challenges facing my administration as we entered office was the Port of Anchorage expansion project. It was clear from day one that construction was not going well and there were lingering concerns about the design itself.

We have engaged top professional firms to review the project and it was concluded that we will scale back the scope and use a more traditional design. We have taken over control of the project from the Maritime Administration (MARAD) and have hired CH2M Hill to serve as the new project manager, under the direct control of the Municipality.

There is approximately \$130 million remaining in available funds and we will work closely with our state and federal officials for additional funding to complete this vital modernization project. We are also seeking significant damages from those involved in the previous work.

The Port of Anchorage provides over 90% of the goods entering Alaska and it also serves as one of America's 19 strategic military ports.



MAYOR DAN SULLIVAN | STATE OF THE CITY  
**INVESTING IN ANCHORAGE**



# CENTENNIAL CELEBRATION

Anchorage turns 100 years old in 2015 and there are many community events that have already been held and are planned over the next 8 months, culminating in July 2015, to commemorate this historic occurrence. The Cook Inlet Historical Society, the Rasmuson Foundation, the Anchorage Museum, various corporate sponsors, the Alaska Humanities Forum and the Centennial Celebration Committee have contributed greatly to making our 100th birthday something truly special.

- **USS Anchorage Commissioning – 2013.**
- **Museum Exhibits:**
  - History of Flight – 2014.
  - Dena'ina History – 2014.
  - Earthquake – 2014.
  - Captain Cook Voyages – 2015.
- **Spin Doctors Concert – 2014.**
- **Anchorage Centennial Film – Ongoing.**
- **ASD Curriculum – 2015.**
- **Byron Birdsall commemorative print released September 13, 2014.**
- **Charles Wohlforth Book – 2015.**
- **Dozens of Centennial projects funded by \$500,000 Rasmuson grant.**



[www.AnchorageCentennial.org](http://www.AnchorageCentennial.org)



# ANCHORAGE ACCOLADES

Anchorage is increasingly recognized as a great place to live, work and play. Following is just a sample of some of the diverse areas where Anchorage excels as determined by various news and magazine sources.

**9<sup>th</sup> Best city to live in – Kiplinger.com**

**6<sup>th</sup> Best town to live in – Outside Magazine**

**11<sup>th</sup> Best city to visit in the U.S. – CNN**

**2<sup>nd</sup> Best ski resort in the world – Snowaddiction.org**

**10<sup>th</sup> Best Bike Park in North America – Cycle Brains**

**2<sup>nd</sup> Greenest city in America – Nerd Wallet**

**18<sup>th</sup> Best place for business & careers, up from #43 – Forbes**

**25<sup>th</sup> In cost of doing business, up from #107 – Forbes**

**5<sup>th</sup> In job growth, up from #12 – Forbes**

**Most tax-friendly city in the U.S. – Kiplinger.com**

## The state of our city?

Anchorage is  
**Cleaner, Safer, Stronger**  
than ever before!



MAYOR DAN SULLIVAN | STATE OF THE CITY  
**INVESTING IN ANCHORAGE**