

**MUNICIPALITY OF ANCHORAGE**

**ORDINANCE No. 2023-1**

**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-FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$34,500,000) 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 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 4, 2023.**

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Prepared by

K&L GATES LLP

**MUNICIPALITY OF ANCHORAGE  
ORDINANCE No. 2023-1**

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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.

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2 Municipal Clerk's Office  
3 **Approved**  
4 **Date: January 23, 2023**  
5

Requested by: Chair of the Assembly at the  
Request of the Mayor  
Prepared by: Cynthia M. Weed, Bond  
Counsel  
K&L GATES LLP  
For Reading: January 10, 2023

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7  
8  
9 **MUNICIPALITY OF ANCHORAGE**  
10 **ORDINANCE No. 2023-1**  
11

12 **AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED**  
13 **VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION**  
14 **OF THE ISSUANCE OF NOT TO EXCEED THIRTY-FOUR MILLION FIVE**  
15 **HUNDRED THOUSAND DOLLARS (\$34,500,000) OF GENERAL OBLIGATION**  
16 **BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF**  
17 **ROAD AND STORM DRAINAGE CAPITAL IMPROVEMENTS IN THE**  
18 **ANCHORAGE ROADS AND DRAINAGE SERVICE AREA, AND THE QUESTION**  
19 **OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY**  
20 **ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE**  
21 **ANCHORAGE ROADS AND DRAINAGE SERVICE AREA, AT THE ELECTION**  
22 **TO BE HELD IN THE MUNICIPALITY ON APRIL 4, 2023.**

23  
24 **WHEREAS**, the best interests of the citizens and property owners in the Anchorage  
25 Roads and Drainage Service Area serving the Municipality of Anchorage, Alaska  
26 (the "Municipality") require the Municipality to acquire, construct, renovate, upgrade  
27 and undertake certain road improvements, roadway safety improvements and storm  
28 collection drainage and treatment improvements (the "Projects"); and  
29

30 **WHEREAS**, in order to provide financing for the Projects, it is deemed necessary  
31 and advisable that the Municipality issue and sell its general obligation bonds in the  
32 principal amount of not to exceed \$34,500,000 (the "Bonds"); now, therefore,  
33

34 **THE ANCHORAGE ASSEMBLY ORDAINS:**  
35

36 **Section 1.** Purpose. The Assembly of the Municipality hereby determines that  
37 the roads and storm drainage within the Anchorage Roads and Drainage Service  
38 Area are in need of the Projects. The Assembly hereby determines that the best  
39 interests of the residents and property owners within the Anchorage Roads and  
40 Drainage Service Area require the Municipality to undertake the Projects at the time  
41 and in the order and in the manner deemed most necessary and advisable by the  
42 Municipality. The estimated cost of the Projects, including incidental costs and costs  
43 related to issuing and selling the Bonds as provided in this ordinance, is estimated  
44 to be \$34,500,000.  
45

46 The Projects are described in the approved 2023 Capital Improvement  
47 Budget, as amended. The cost of all necessary planning, acquisition of property,

1 site preparation, construction, installing and equipping of the Projects, architectural,  
2 engineering, design, and other consulting services, inspection and testing,  
3 administrative expenses, costs of issuance of the Bonds and other costs incurred in  
4 connection with the Projects shall be deemed to be costs of the approved Projects.  
5 The approved Projects may be completed with all necessary equipment and  
6 appurtenances.

7  
8 The Municipality shall determine the application of available moneys between  
9 the various Projects so as to accomplish, as nearly as may be, all of the Projects  
10 described or provided for in this section.

11  
12 If the Municipality shall determine that it has become impractical to  
13 accomplish any portion of the approved Projects by reason of changed conditions  
14 or needs, incompatible development or costs substantially in excess of those  
15 estimated, the Municipality shall not be required to accomplish such portions and  
16 shall apply Bond proceeds as set forth in this section.

17  
18 If the approved Projects have been completed in whole or in part, or their  
19 completion duly provided for, or their completion found to be impractical, the  
20 Municipality may apply Bond proceeds or any portion thereof to other Municipality  
21 capital improvements within the Anchorage Roads and Drainage Service Area at its  
22 sole discretion. Otherwise, the Municipality shall apply such remaining proceeds  
23 solely to payment of principal or interest on the Bonds, as provided in the Home  
24 Rule Charter. In the event that the proceeds of sale of the Bonds, plus any other  
25 monies of the Municipality legally available, are insufficient to accomplish the  
26 approved Projects, the Municipality shall use the available funds for paying the cost  
27 of those portions of the approved Projects deemed by the Municipality most  
28 necessary and in the best interest of the Municipality. No Bond proceeds shall be  
29 used by the Municipality for any purpose other than a capital improvement of the  
30 Municipality.

31  
32 For the purpose of providing funds for the undertaking of the Projects, which  
33 are hereby found to be a public purpose and in the public interest, the Municipality  
34 hereby proposes to issue general obligation bonded indebtedness in an amount not  
35 to exceed Thirty-Four Million Five Hundred Thousand Dollars (\$34,500,000).

36  
37 **Section 2.** Details of Bonds. The Bonds shall be sold in such amounts and at  
38 such time or times as deemed necessary and advisable by the Assembly and as  
39 permitted by law and shall mature over a period of up to 20 years from date of issue.  
40 The Bonds shall be issued in an aggregate principal amount of not to exceed  
41 \$34,500,000. The Bonds shall bear interest to be fixed at the time of sale or sales  
42 thereof. The exact form, terms, conditions, contents, security, options of  
43 redemption, and such other matters relating to the issuance and sale of said Bonds  
44 as are deemed necessary and advisable by the Assembly shall be as hereinafter  
45 determined and/or delegated by ordinance and/or resolution of the Assembly.  
46

1 The full faith and credit of the Municipality is pledged for the payment of the  
 2 principal of and interest on the Bonds, and ad valorem taxes upon all taxable  
 3 property in the Municipality shall be levied without limitation as to rate or amount to  
 4 pay the principal and interest on the Bonds when due. The principal of and interest  
 5 on the Bonds are to be paid first from ad valorem taxes levied and collected within  
 6 the Anchorage Roads and Drainage Service Area.

7  
 8 **Section 3. Ballot Proposition.** The Assembly hereby submits to the qualified  
 9 voters of the Municipality the proposition of whether or not the Municipality should  
 10 issue the Bonds for the purpose of financing the costs of the approved Projects at  
 11 the regular municipal election to be held on April 4, 2023.

12  
 13 The Clerk shall prepare the ballot proposition to be submitted to the voters  
 14 as provided by this ordinance and the Municipal Code and shall perform all  
 15 necessary steps in accordance with law to place this proposition before the voters  
 16 at the regular election. The proposition must receive a majority vote of those in the  
 17 Municipality voting, both in the Anchorage Roads and Drainage Service Area and  
 18 areawide, on the question to be approved. The proposition shall be substantially in  
 19 the following form:

20  
 21 PROPOSITION NO. \_\_\_\_\_

22  
 23 ANCHORAGE ROADS AND DRAINAGE SERVICE  
 24 AREA ROAD AND STORM DRAINAGE BONDS

25  
 26 For the purpose of providing roads and storm drainage  
 27 capital acquisition, construction, renovation and  
 28 upgrades in the Anchorage Roads and Drainage Service  
 29 Area, as provided in AO 2023-\_\_, shall Anchorage  
 30 borrow money and issue up to \$34,500,000 in principal  
 31 amount of general obligation bonds and increase the  
 32 municipal tax cap by an annual amount not to exceed  
 33 \$112,000 to pay for associated annual operations and  
 34 maintenance costs?

35  
 36 Voter approval of this bond proposition authorizes for  
 37 each \$100,000 of assessed taxable property value  
 38 (based on the estimated 2023 assessed valuation in the  
 39 Anchorage Roads and Drainage Service Area): (i) an  
 40 annual increase in taxes of approximately \$9.33 to retire  
 41 the proposed bonds, and (ii) an annual increase in the  
 42 municipal tax cap (Charter 14.03(b)(2)) of approximately  
 43 \$0.39 to pay for annual operation and maintenance  
 44 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.** 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 4, 2023. 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 23rd day of January, 2023.

*Suzanne LaFrance*

Chair

ATTEST:

*Barbara A. Jones*

Municipal Clerk



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 3-2023

Meeting Date: January 10, 2023

1 **From:** Mayor

2  
3 **Subject:** AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED  
4 VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION  
5 OF THE ISSUANCE OF NOT TO EXCEED THIRTY-FOUR MILLION FIVE  
6 HUNDRED THOUSAND DOLLARS (\$34,500,000) OF GENERAL OBLIGATION  
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11 ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE  
12 ANCHORAGE ROADS AND DRAINAGE SERVICE AREA, AT THE ELECTION  
13 TO BE HELD IN THE MUNICIPALITY ON APRIL 4, 2023.  
14

15 The attached ordinance will place a general obligation bond proposition for the Anchorage Roads  
16 and Drainage Service Area (ARDSA) on the ballot for the regular Municipal election to be held on  
17 April 4, 2023.  
18

19 The Administration recommends scheduling a public hearing for this bond ordinance on  
20 January 24, 2023.  
21

22 The ARDSA bond proposal will implement the priorities established in the 2023-2028 Capital  
23 Improvement Program, as amended. Please see the attached Project List, attached as Exhibit A.  
24  
25

26 THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE.  
27

28 Prepared by: Ross Risvold, Public Finance & Investments Manager

29 Approved: Grant Yutzenka, Acting CFO

30 Concur: Blair Christensen, Acting Municipal Attorney

31 Concur: Courtney Petersen, Director, Office of Management  
32 & Budget

33 Concur: Kent Kohlhase, Acting Municipal Manager

34 Respectfully submitted: Dave Bronson, Mayor  
35

AM 2023 ARDSA Prop.doc

## EXHIBIT A

### Anchorage Road and Drainage Service Area 2023 Bond Project List (000)'s

<u>Project</u>	<u>Amount</u>	<u>O&amp;M</u>
100th Ave Surface Rehab - Victor Rd to Minnesota Dr	2,500	-
42nd Ave Upgrade - Lake Otis Pkwy to Florina St	1,400	-
ADA Improvements	500	2
Airguard Rd Improvements Phase II	300	-
Alaska Railroad Crossing Rehabs	250	-
AMATS: 3rd Ave Signals and Lighting Upgrades - E St to Cordova St	100	-
AMATS: 4th Ave Signals and Lighting - Cordova St to Ingra St	50	-
ARDSA Alley Paving	500	-
ARDSA Road and Drainage Rehabilitation Annual Program	700	-
ARDSA Sound Barrier/Retaining Wall Replacement	400	-
ARDSA Storm Drainage Deficiencies	700	-
ARDSA Street Light Improvements	400	-
Beaver Pl/Baxter Rd Surface Rehab - 16th Ave to Northern Lights Blvd	500	-
Camrose Dr Area Storm Drain Improvements	3,000	-
Carriage Dr Area Drainage Improvements	500	-
Chugach Way Upgrade - Spenard Rd to Arctic Blvd	500	-
Constitution St Area Storm Drain Improvements	500	-
DeBarr Rd Surface Rehab - Lake Otis Pkwy to Airport Heights Rd	200	-
Dowling Rd Surface Rehab - Lake Otis Pkwy to Elmore Rd	2,000	-
Downtown Lighting and Signals Upgrades	3,000	-
E 20th Ave Pedestrian Improvements - Tikishla Park to Bragraw St	4,000	-
Flooding, Glaciation, and Drainage Annual Program	700	15
Forest Park Roadway Surface & Shoulder Rehabilitation	600	-
Four Seasons Mobile Home Park Area Storm Drain Improvements	400	-
Intersection Resurfacing	200	-
Jewel Terrace St Road and Drainage Improvements	450	-
Lake Otis Pkwy Surface Rehab - Abbott Rd to Huffman Rd	3,500	-
Lake Otis Pkwy Surface Rehabilitation - 68th Ave to Abbott Rd	200	-
Low Impact Development Annual Program	200	10
Midtown Corridor Improvements, Denali St Area - Fireweed to Tudor Rd	1,000	-
Northern Lights Blvd Surface Rehab - Lake Otis Pkwy to Boniface Pkwy	100	-
Pavement and Subbase Rehabilitation	1,000	5
Pedestrian Safety and Rehab Annual Program	500	15
Providence Dr/University Dr Surface Rehab - Lake Otis Pkwy to east end	1,000	-
Quinhagak St Upgrade - E Dowling Rd to Askeland Dr	1,000	-
W 90th Ave/Angela Pl Area Resurfacing	250	-
Zodiac Manor Subd Area Surface Rehab Phas IV	400	-
Anchorage Signal System, Signage, and Safety Improvements	500	5
Traffic Calming and Safety Improvements	500	60
<b>Total</b>	<b>\$34,500</b>	<b>\$112</b>



**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects General Government**

AO Number: 2023-1

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-FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$34,500,000) 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 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 4, 2023.

Sponsor: Mayor  
 Preparing Agency: Public Finance Division  
 Others Impacted: ARDSA

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**CHANGES IN EXPENDITURES AND REVENUES:** (Thousands of Dollars)  
 -----

	FY23	FY24	FY25	FY26	FY27
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	--	112.0	112.0	112.0	112.0
4000 Debt Service	--	2,652.2	2,652.2	2,652.2	2,652.2
5000 Capital Outlay					
<b>TOTAL DIRECT COSTS:</b>	--	2,764.2	2,764.2	2,764.2	2,764.2

ADD: 6000 Charge from Others

-----  
 FUNCTION COST:  
 -----

REVENUES:  
 -----

CAPITAL:  
 -----

POSITIONS: FT/PT and Temp.  
 -----

**PUBLIC SECTOR ECONOMIC EFFECTS:**

Estimated annual debt service of \$2,652,227 assumes bonds are sold as a single bond issue with an interest rate of 4.50% 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 \$112,000.

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**PRIVATE SECTOR ECONOMIC EFFECTS:**

Estimated annual debt service payments of approximately \$2,652,227 equate to an estimated property tax increase of 0.0933 mills or \$9.33 per year on \$100,000 of assessed valuation in the ARDSA.

When fully operational, increased annual operations and maintenance costs are estimated at \$112,000 and equate to an estimated property tax increase of 0.0039 mills or \$0.39 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 \$9.72 per \$100,000 of assessed valuation in the ARDSA.