

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2024-4

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 FORTY-SEVEN MILLION ONE HUNDRED TEN THOUSAND DOLLARS (\$47,110,000) 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 2, 2024 AND AMENDING THE 2024 GENERAL GOVERNMENT CAPITAL IMPROVEMENT BUDGET (CIB).

Prepared by

K&L GATES LLP

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2024-4**

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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.

Municipal Clerk's Office

Approved

Date: **January 23, 2024**

Immediate Reconsideration Failed

Date: **January 23, 2024**

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 9, 2024

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2024-4**

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 FORTY-SEVEN MILLION ONE HUNDRED TEN THOUSAND DOLLARS (\$47,110,000) 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 2, 2024 AND AMENDING THE 2024 GENERAL GOVERNMENT CAPITAL IMPROVEMENT BUDGET (CIB).

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 and storm collection drainage and treatment 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 \$47,110,000 (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) by majority vote; and

WHEREAS, on November 21, 2023 the 2024 General Governmental CIB was approved by passage of AO 2023-96, 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

1 and in the order and in the manner deemed most necessary and advisable by the
2 Municipality. The estimated cost of the Projects, including incidental costs and costs
3 related to issuing and selling the Bonds as provided in this ordinance, is estimated
4 to be \$47,110,000.

5
6 The Projects are described in the approved 2024 Capital Improvement
7 Budget, as amended. The cost of all necessary planning, acquisition of property,
8 site preparation, construction, installing and equipping of the Projects, architectural,
9 engineering, design, and other consulting services, inspection and testing,
10 administrative expenses, costs of issuance of the Bonds and other costs incurred in
11 connection with the Projects shall be deemed to be costs of the approved Projects.
12 The approved Projects may be completed with all necessary equipment and
13 appurtenances.

14
15 The Municipality shall determine the application of available moneys between
16 the various Projects so as to accomplish, as nearly as may be, all of the Projects
17 described or provided for in this section.

18
19 If the Municipality shall determine that it has become impractical to
20 accomplish any portion of the approved Projects by reason of changed conditions
21 or needs, incompatible development or costs substantially in excess of those
22 estimated, the Municipality shall not be required to accomplish such portions and
23 shall apply Bond proceeds as set forth in this section.

24
25 If the approved Projects have been completed in whole or in part, or their
26 completion duly provided for, or their completion found to be impractical, the
27 Municipality may apply Bond proceeds or any portion thereof to other voter-
28 approved and not rescinded Municipality capital improvements within the
29 Anchorage Roads and Drainage Service Area at its sole discretion. Otherwise, the
30 Municipality shall apply such remaining proceeds solely to payment of principal or
31 interest on the Bonds, as provided in the Home Rule Charter. In the event that the
32 proceeds of sale of the Bonds, plus any other monies of the Municipality legally
33 available, are insufficient to accomplish the approved Projects, the Municipality shall
34 use the available funds for paying the cost of those portions of the approved Projects
35 deemed by the Municipality most necessary and in the best interest of the
36 Municipality. No Bond proceeds shall be used by the Municipality for any purpose
37 other than a capital improvement of the Municipality.

38
39 For the purpose of providing funds for the undertaking of the Projects, which
40 are hereby found to be a public purpose and in the public interest, the Municipality
41 hereby proposes to issue general obligation bonded indebtedness in an amount not
42 to exceed Forty-Seven Million One Hundred Ten Thousand Dollars (\$47,110,000).

43
44 **Section 2.** Details of Bonds. The Bonds shall be sold in such amounts and at
45 such time or times as deemed necessary and advisable by the Assembly and as
46 permitted by law and shall mature over a period of up to 20 years from date of issue.

1 The Bonds shall be issued in an aggregate principal amount of not to exceed
2 \$47,110,000. The Bonds shall bear interest to be fixed at the time of sale or sales
3 thereof. The exact form, terms, conditions, contents, security, options of
4 redemption, and such other matters relating to the issuance and sale of said Bonds
5 as are deemed necessary and advisable by the Assembly shall be as hereinafter
6 determined and/or delegated by ordinance and/or resolution of the Assembly.

7
8 The full faith and credit of the Municipality is pledged for the payment of the
9 principal of and interest on the Bonds, and ad valorem taxes upon all taxable
10 property in the Municipality shall be levied without limitation as to rate or amount to
11 pay the principal and interest on the Bonds when due. The principal of and interest
12 on the Bonds are to be paid first from ad valorem taxes levied and collected within
13 the Anchorage Roads and Drainage Service Area.

14
15 **Section 3. Ballot Proposition.** The Assembly hereby submits to the qualified
16 voters of the Municipality the proposition of whether or not the Municipality should
17 issue the Bonds for the purpose of financing the costs of the approved Projects at
18 the regular municipal election to be held on April 2, 2024.

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

27
28 PROPOSITION NO. ____

29
30 ANCHORAGE ROADS AND DRAINAGE SERVICE
31 AREA ROADS AND STORM DRAINAGE BONDS

32
33 For the purpose of providing roads and storm drainage
34 capital acquisition, construction, renovation and
35 upgrades in the Anchorage Roads and Drainage Service
36 Area, as provided in AO 2024-__, shall Anchorage
37 borrow money and issue up to \$47,110,000 in principal
38 amount of general obligation bonds and increase the
39 municipal tax cap by an annual amount not to exceed
40 \$48,000 to pay for associated annual operations and
41 maintenance costs?

42
43 Voter approval of this bond proposition authorizes for
44 each \$100,000 of assessed taxable property value
45 (based on the estimated 2024 assessed valuation in the
46 Anchorage Roads and Drainage Service Area): (i) an

1 annual increase in taxes of approximately \$12.43 to
2 retire the proposed bonds, and (ii) an annual increase in
3 the municipal tax cap (Charter 14.03(b)(2)) of
4 approximately \$0.17 to pay for annual operation and
5 maintenance costs related to the proposed capital
6 improvements.

7
8 The debt shall be paid from real and personal property
9 taxes levied and collected within the Anchorage Roads
10 and Drainage Service Area, without cost to properties in
11 Chugiak, Eagle River, Girdwood and other areas outside
12 the Service Area. The Municipality will also pledge its
13 full faith and credit for payment of the debt.

14
15 ☐ YES ☐ NO
16
17

18 **Section 4.** 2024 General Government CIB. The 2024 General Government CIB
19 is hereby revised to include the changes as identified in the accompanying
20 Assembly Memorandum and Exhibit A.
21

22 **Section 5.** Effective Dates. Section 2 of this ordinance shall become effective
23 only if the proposition described in Section 3 is approved by a majority of the
24 qualified voters voting on the proposition at the regular election held on April 2, 2024.
25 The remaining sections of this ordinance shall become effective upon passage and
26 approval by the Assembly.
27

28 PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this
29 23rd day of January, 2024.
30

31 *Christopher Constant*

32
33 ATTEST:

Chair

34
35 *Janie King*

36
37 Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 30-2024

Meeting Date: January 9, 2024

FROM: 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 FORTY-SEVEN MILLION ONE HUNDRED TEN THOUSAND DOLLARS (\$47,110,000) 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 2, 2024 AND AMENDING THE 2024 GENERAL GOVERNMENT CAPITAL IMPROVEMENT BUDGET (CIB).

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 2, 2024.

The 2024 General Government Capital Improvement Budget (CIB), approved by passage of AO 2023-96 as Amended, will be amended as follows with the passage of the attached ordinance:

Project "APD / General Government Fleet Vehicle Replacement" is bifurcated, to separately identify the snow removal equipment that is proposed to be funded with bonds:

- * New project "Snow Removal Equipment" – \$1 million bond funding in 2024 (this project will be included in the ARDSA bond project list)

- Change project "APD / General Government Fleet Vehicle Replacement" – remove \$1 million bond funding in 2024 (this project will not be included in the ARDSA bond project list).

The Administration recommends scheduling a public hearing for this bond ordinance on January 23, 2024.

The ARDSA bond proposal will implement the priorities established in the 2024-2029 Capital Improvement Program, as amended. Please see the attached Project List, attached as Exhibit A.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE.

Prepared by: Ross Risvold, Public Finance & Investments Manager

Approved: Alden Thern, CFO

Concur: Anne Helzer, Municipal Attorney

Concur: Sharon Lechner, Acting OMB Director

Concur: Kent E. Kohlhase, Municipal Manager

Respectfully submitted: Dave Bronson, Mayor

EXHIBIT A

**Anchorage Road and Drainage Service Area
2024 Bond Project List
(000)'s**

<u>Project</u>	<u>Amount</u>	<u>O&M</u>
36th Ave Resurfacing Phase II - Latouche St to Lake Otis Pkwy	\$ 3,800	-
42nd Ave Upgrade - Lake Otis Pkwy to Florina St	8,600	-
48th Ave Reconstruction Old Seward Hwy to International Airport Rd	500	-
ADA Improvements	1,000	-
Alaska Railroad Crossing Rehabs	1,750	-
AMATS: 4th Ave Signals and Lighting - Cordova St to Ingra St	510	-
AMATS: 88th Ave Surface Rehab - Abbott Rd to Lake Otis Pkwy	150	-
AMATS: Spenard Rd Rehabilitation - Northwood Drive to Minnesota Dr	150	-
ARDSA Alley Paving	600	-
ARDSA Road and Drainage Rehabilitation Annual Program	2,000	-
ARDSA Sound Barrier/Retaining Wall Replacement	500	-
ARDSA Storm Drainage Deficiencies	1,000	-
ARDSA Street Light Improvements	500	-
Dowling Rd Surface Rehab - Lake Otis Pkwy to Elmore Rd	2,000	-
Downtown Lighting and Signals Upgrades	4,000	-
Fish Creek Improvements Phase V - Cook Inlet to Lake Otis Pkwy	150	-
Flooding, Glaciation, and Drainage Annual Program	2,000	15
Intersection Resurfacing	200	-
Leary Bay Cir Drainage Improvements	250	-
Low Impact Development Annual Program	250	10
Northern Lights Blvd Surface Rehabilitation - Lake Otis Pkwy to Bragaw St	7,000	-
Patterson St Improvements - Debarr Rd to Chester Creek	200	-
Pavement and Subbase Rehabilitation	1,200	5
Pedestrian Safety and Rehabilitation Annual Program	500	15
Pokey Cir Area Drainage Improvements	100	-
Road Improvements – Downtown Way Finding	250	3
Silverado Way Road and Drainage Improvements	600	-
Snow Disposal Site - West Anchorage	5,000	-
Snow Removal Equipment	1,000	-
Tasha Dr Reconstruction	850	-
West Bluff Dr/Ocean Dock Rd Area Storm Drain	500	-
Total	\$47,110	\$48

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects General Government

AO Number: 2024 -4

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 FORTY-SEVEN MILLION ONE HUNDRED TEN THOUSAND DOLLARS (\$47,110,000) 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 2, 2024 AND AMENDING THE 2024 GENERAL GOVERNMENT CAPITAL IMPROVEMENT BUDGET (CIB).

Sponsor: Mayor

Preparing Agency: Public Finance Division

Others Impacted: ARDSA

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY24	FY25	FY26	FY27	FY28
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	--	48.0	48.0	48.0	48.0
4000 Debt Service	--	3,613.7	3,613.7	3,613.7	3,613.7
5000 Capital Outlay					
TOTAL DIRECT COSTS:	--	3,661.7	3,661.7	3,661.7	3,661.7
ADD: 6000 Charge from Others					
FUNCTION COST:	--	3,661.7	3,661.7	3,661.7	3,661.7

REVENUES:

CAPITAL:

POSITIONS: FT/PT and Temp.

PUBLIC SECTOR ECONOMIC EFFECTS:

Estimated annual debt service of \$3,613,682 assumes bonds are sold as a single bond issue with an interest rate of 4.475% 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 \$48,000.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately \$3,613,682 equate to an estimated property tax increase of 0.1243 mills or \$12.43 per year on \$100,000 of assessed valuation in the ARDSA.

When fully operational, increased annual operations and maintenance costs are estimated at \$48,000 and equate to an estimated property tax increase of 0.0017 mills or \$0.17 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 \$12.60 per \$100,000 of assessed valuation in the ARDSA.