

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2024-8(S), As Amended

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 FOUR MILLION FIVE HUNDRED SIXTY THOUSAND DOLLARS (\$4,560,000)~~[FOUR MILLION SIXTY THOUSAND DOLLARS (\$4,060,000)]~~ OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE PUBLIC SAFETY AND TRANSIT IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AREAWIDE, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 2, 2024 AND APPROVING AND AMENDING A PROJECT IN THE AREAWIDE 2024 CIB TO INCREASE THE TRAFFIC CALMING AMOUNT.

Prepared by

K&L GATES LLP

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TABLE OF CONTENTS*

	Page
Section 1. Purpose	2
Section 2. Details of Bonds	3
Section 3. Ballot Proposition.....	3
Section 4. Areawide 2024 CIB.....	4
Section 5. Effective Dates	4

* 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

Amended and Approved

Date: **January 23, 2024**

Immediate Reconsideration Failed

Date: **January 24, 2024**

Requested by: Assembly Members Anna
Brawley, Daniel Volland
and Meg Zaletel

(S) Prepared by: Cynthia M. Weed, Bond
Counsel

K&L GATES LLP

(S) For Reading: January 9, 2024

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2024-8(S), As Amended**

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 FOUR MILLION FIVE HUNDRED SIXTY THOUSAND DOLLARS (\$4,560,000) ~~FOUR MILLION SIXTY THOUSAND DOLLARS (\$4,060,000)~~ OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE PUBLIC SAFETY AND TRANSIT IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AREAWIDE, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 2, 2024 AND APPROVING AND AMENDING A PROJECT IN THE AREAWIDE 2024 CIB TO INCREASE THE TRAFFIC CALMING AMOUNT.

WHEREAS, the best interest of the citizens and property owners in the Municipality of Anchorage, Alaska (the "Municipality") require the Municipality to acquire new replacement ambulances, acquire and replace transit vehicles and support equipment, undertake signal system, signage, traffic calming and safety improvements, and undertake school zone safety improvements, bus stop improvements and improvements to transit facilities and centers (the "Projects"), and

WHEREAS, the Assembly may alter the Areawide 2024 CIB by majority vote; and

WHEREAS, the Assembly desires to alter the Areawide 2024 CIB to increase the traffic calming project amount; 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 \$4,560,000 ~~\$4,060,000~~ (the "Bonds"); now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Purpose. The Assembly hereby determines that the Projects are needed throughout the Municipality. The Assembly hereby determines that the best interest of the residents and property owners within the Municipality 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 **\$4,560,000**~~[\$4,060,000]~~.

The Assembly hereby finds it necessary to alter the 2024 CIB to amend the Projects.

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 for, 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, 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 voter-approved and not rescinded areawide public safety and transit Municipality capital improvements 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 **Four Million Five Hundred Sixty Thousand Dollars (\$4,560,000)**~~**Four Million Sixty Thousand Dollars (\$4,060,000)**~~.

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 **\$4,560,000**~~**\$4,060,000**~~. 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.

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 2, 2024.

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 an areawide majority vote of those in the Municipality voting on the question to be approved. The proposition shall be substantially in the following form:

PROPOSITION NO. ____

AREAWIDE PUBLIC SAFETY AND TRANSIT CAPITAL IMPROVEMENT BONDS

For the purpose of acquiring new replacement ambulances, acquiring and replacing transit vehicles and support equipment, undertaking signal system, signage, traffic calming and safety improvements, and undertaking school zone safety improvements, bus stop improvements and improvements to transit facilities and centers, in Anchorage as provided in AO 2024-____, shall Anchorage borrow money and issue up to

\$4,560,000~~**\$4,060,000**~~ in principal amount of general obligation bonds and increase the municipal tax cap by an annual amount not to exceed **\$125,000**~~**\$65,000**~~ 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 2024 areawide assessed valuation in Anchorage): (i) an annual increase in taxes of approximately **\$0.93**~~**\$0.82**~~ to retire the proposed bonds, and (ii) an annual increase in the municipal tax cap (Charter 14.03(b)(2)) of approximately **\$0.33**~~**\$0.17**~~ 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 areawide within Anchorage. The Municipality will also pledge its full faith and credit for payment of the bonds.

☐ YES ☐ NO

Section 4. Areawide 2024 CIB. The Assembly hereby alters the Areawide 2024 CIB to increase the traffic calming project and increase the amount of the Areawide 2024 CIB by Five Hundred Thousand Dollars (\$500,000).

Section 5[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 2, 2024. The remaining sections of this ordinance shall become effective upon passage and approval.

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



Chair

ATTEST:



Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2024-8(S), As Amended 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 **FOUR MILLION FIVE HUNDRED SIXTY THOUSAND DOLLARS (\$4,560,000)**~~FOUR MILLION SIXTY THOUSAND DOLLARS (\$4,060,000)~~ OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE PUBLIC SAFETY AND TRANSIT IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AREAWIDE, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 2, 2024 **AND APPROVING AND AMENDING A PROJECT IN THE AREAWIDE 2024 CIB TO INCREASE THE TRAFFIC CALMING AMOUNT.**

Sponsor: Assembly Members Anna Brawley, Daniel Volland and Meg Zaletel

Preparing Agency: Assembly Members Anna Brawley, Daniel Volland and Meg Zaletel and Finance Staff

Others Impacted: Areawide: Safety & Public Transportation

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY24	FY25	FY26	FY27	FY28
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	--	<u>125.0</u> [65.0]	<u>125.0</u> [65.0]	<u>125.0</u> [65.0]	<u>125.0</u> [65.0]
4000 Debt Service	--	<u>349.8</u> [311.4]	<u>349.8</u> [311.4]	<u>349.8</u> [311.4]	<u>349.8</u> [311.4]
5000 Capital Outlay					

TOTAL DIRECT COSTS: 474.8~~[414.8]~~[376.4] 474.8~~[414.8]~~[376.4] 474.8~~[414.8]~~[376.4] 474.8~~[414.8]~~[376.4]

ADD: 6000 Charge from Others

LESS: 7000 Charge to Others

FUNCTION COST: 474.8~~[414.8]~~[376.4] 474.8~~[414.8]~~[376.4] 474.8~~[414.8]~~[376.4] 474.8~~[414.8]~~[376.4]

REVENUES:

CAPITAL:

POSITIONS: FT/PT and Temp.

PUBLIC SECTOR ECONOMIC EFFECTS:

Estimated annual debt service of \$349,785~~[\$311,432]~~ 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 \$125,000~~[\$65,000]~~.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately \$349,785~~[\$311,432]~~ equate to an estimated property tax increase of 0.0093~~[0.0082]~~ mills or \$0.93~~[\$0.82]~~ per year on \$100,000 of assessed valuation in the Municipality areawide.

When fully operational, increased annual operations and maintenance costs are estimated at \$125,000~~[\$65,000]~~ and equate to an estimated property tax increase of 0.0033~~[0.0017]~~ mills or \$0.33~~[\$0.17]~~ per year on \$100,000 of assessed valuation in the Municipality areawide and an increase in the Municipal tax cap limitation.

The total private sector economic effect would therefore be a total of \$1.26~~[\$1.10]~~[\$0.99] per \$100,000 of assessed valuation in the Municipality areawide.



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 89-2024(A)

Meeting Date: January 9, 2024

From: Assembly Members Anna Brawley, Daniel Volland and Meg Zaletel

Subject: AO 2024-8(S), As Amended: 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 FOUR MILLION FIVE HUNDRED SIXTY THOUSAND DOLLARS (\$4,560,000)~~FOUR MILLION SIXTY THOUSAND DOLLARS (\$4,060,000)~~ OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE PUBLIC SAFETY AND TRANSIT IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AREAWIDE, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 2, 2024 AND APPROVING AND AMENDING A PROJECT IN THE AREAWIDE 2024 CIB TO INCREASE THE TRAFFIC CALMING AMOUNT.

The attached (S) version of the ordinance is introduced to increase the amount of the traffic calming project(s) from \$500,000 to \$1,000,000.

The traffic calming and safety improvements line item is a pool of funds that the Traffic Engineering Department (the "Department") prioritizes through traffic studies and their prioritization process. The intent of this (S) version is to increase available funds for projects. This may allow building more durable interventions like raised intersections, which are considered best practice but are more costly than speed cushions or signage, and which are best done when coordinated with already-planned intersection improvements, where it can significantly improve safety. And/or, it will simply allow the Department to complete more traffic calming interventions as they do now, but having double the funds in a given year than they would otherwise.

The Municipality has included \$500,000 for traffic calming for several years now. With inflation and other costs increasing, we get fewer projects than we used to, and less opportunity to do the most impactful ones. This increase is modest, but would make this funding go further than it does at current levels. And also, one of the most consistent issues I hear from constituents, probably true in every district, is people speeding or driving unsafely on residential roads. This is so often a need that

1 doesn't get met, since the Municipality can only do a few at a time every year. We
2 know that speed kills when it comes to vehicle collisions and harms non-motorized
3 users. This makes a modest increase of investment for an ongoing safety need.
4

5 Prepared by: Assembly Members Anna Brawley, Daniel Volland and
6 Meg Zaletel

7 Acknowledged by: Alden Thern, CFO

8 Acknowledged by: Anne Helzer, Municipal Attorney

9 Acknowledged by: Sharon Lechner, Acting OMB Director

10 Acknowledged by: Kent E. Kohlhase, Municipal Manager

11 Submitted by: Assembly Members Anna Brawley, Daniel Volland and
12 Meg Zaletel

EXHIBIT A
(for AO 2024-8(S), As Amended)

Areawide Public Safety and Transit Capital Improvements
2024 Bond Project List
(000)'s

<u>Project</u>	<u>Amount</u>	<u>O&M</u>
Anchorage Signal System, Signage, and Safety Improvements	\$ 500	\$ 5
Fire Ambulance Replacement	700	-
School Zone Safety	500	-
Traffic Calming and Safety Improvements	<u>1,000</u> <u>500</u>	<u>120</u> <u>60</u>
Transit Facilities, Centers and Bus Stop Improvements	960	-
Transit Fleet/Support Equipment/Support Vehicle Replacement & Expansion	900	-
Total	<u>\$4,560</u> <u>\$4,060</u>	<u>\$125</u> <u>\$65</u>



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 90-2024

Meeting Date: January 23, 2024

From: Assembly Members Anna Brawley, Daniel Volland and Meg Zaletel

Subject: Additional AM for AO 2024-8(S): 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 **FOUR MILLION FIVE HUNDRED SIXTY THOUSAND DOLLARS (\$4,560,000)**~~**FOUR MILLION SIXTY THOUSAND DOLLARS (\$4,060,000)**~~ OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AREAWIDE PUBLIC SAFETY AND TRANSIT IMPROVEMENTS, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AREAWIDE, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 2, 2024 **AND APPROVING AND AMENDING A PROJECT IN THE AREAWIDE 2024 CIB TO INCREASE THE TRAFFIC CALMING AMOUNT.**

This is a second memorandum submitted to expound on the Assembly Member sponsors' support for the (S) version of the ordinance introduced to increase the amount of the traffic calming project(s) from \$500,000 to \$1,000,000.

The traffic calming and safety improvements line item is a pool of funds that the Traffic Engineering Department (the "Department") prioritizes by conducting traffic studies of street segments on request from community councils, and determines using several factors which streets meet threshold criteria for traffic calming interventions, and qualify as future projects. Currently, the Qualified Streets List maintained by the Department has funding needs that at the current rate of investment year over year, would be completed in 2031. This excludes any new projects added to the list, which would also add to the total cost needed.

The Municipality has included \$500,000 for traffic calming for several years now. As stated in the other Memorandum, with inflation and other costs increasing, we get fewer projects than we used to, and less opportunity to do the most impactful projects to reduce speed and increase safety. The Traffic Calming Program has existed in its current form since 2012, and historically funded in prior bonds at \$400,000 per year, until it was increased in 2016 to \$500,000. The bonded amount has remained at \$500,000 for the past 8 years. This funding level has meant fewer projects can be completed in a given

year over time, as the U.S. Department of Transportation (USDOT)'s National Highway Construction Cost Index shows an increase of 77% since 2016.¹

The sponsors intent in this (S) version is to double the available funding for traffic calming interventions in 2024. This funding may be deployed in multiple ways: it would allow the Department to complete more lower-cost interventions per year than current funding levels, and make potential funding available for one or more higher-cost interventions such as raised intersections, which are considered best practice for reducing speed and protecting vulnerable road users, but are significantly more costly. Typically these higher-cost interventions are coordinated with already-planned intersection improvements.

Reducing vehicle speed on residential streets, in and near school zones, and along local roads with significant bicycle and pedestrian traffic is a high priority to improve road safety and decrease deaths and serious injuries. Requests for traffic calming is a common request by constituents, who often wait years between a formal request for a traffic study, and installation of speed cushions, signage, and other safety features. This modest increase of \$500,000 represents an historic investment in the Traffic Calming Program, increases opportunities for installing more effective interventions across the Municipality, and responds persistent road safety issues.

The Department was consulted for information regarding historical and current funding levels, costs of typical interventions, and how the additional funding would impact the number of projects feasible to complete in a year.

Prepared and submitted by:

Assembly Members Anna Brawley, Daniel Volland and Meg Zaletel

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https://explore.dot.gov/views/NHInflationDashboard/NHCCI_1?%3Aiid=1&%3Aembed=y&%3AisGuestRedirectFromVizportal=y&%3Adisplay_count=n&%3AshowVizHome=n&%3Aorigin=viz_share_link