MUNICIPALITY OF Anchorage

Ordinance No. 2023-114(S-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 nine million dollars ($9,000,000) [twelve million five hundred thousand dollars ($12,500,000)] of general obligation bonds of the municipality of anchorage to pay the costs of an areawide public restroom project, and the question of an increase in the municipal tax cap limitation to pay associated operations and maintenance costs, at the election to be held in the municipality on April 2, 2024 and approving and adding a project to the areawide 2024 CIB to include the public restroom project.

Prepared by

K&L Gates LLP
MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2023-114(S-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.
LAID ON THE TABLE

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 NINE MILLION DOLLARS ($9,000,000) [TWELVE MILLION FIVE HUNDRED THOUSAND DOLLARS ($12,500,000)] OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AN AREAWIDE PUBLIC RESTROOM PROJECT, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 2, 2024 AND APPROVING AND ADDING A PROJECT TO THE AREAWIDE 2024 CIB TO INCLUDE THE PUBLIC RESTROOM PROJECT.

WHEREAS, the Municipality of Anchorage, Alaska (the “Municipality”) is a home rule municipality, including powers to protect public health; and

WHEREAS, the best interest of the citizens and property owners in the Municipality require the Municipality to acquire and install areawide public restrooms, said restrooms will be standalone, durable-construction public restroom units (the “Project”); 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 include the Project; and

WHEREAS, in order to provide financing for the Project, it is deemed necessary and advisable that the Municipality issue and sell its general obligation bonds in the principal amount of not to exceed $9,000,000 [$12,500,000] (the “Bonds”); now, therefore,
THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Purpose. The Assembly hereby determines that the Project is 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 Project at the time and in the order and in the manner deemed most necessary and advisable by the Municipality. The estimated cost of the Project, including incidental costs and costs related to issuing and selling the Bonds as provided in this ordinance, is estimated to be $9,000,000 [$12,500,000].

The Assembly hereby finds it necessary to alter the Areawide 2024 CIB to include the Project.

The Project is described in more detail in the Assembly Memorandum accompanying this ordinance. The cost of all necessary planning, acquisition of property for, site preparation, construction, installing and equipping of the Project, 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 Project shall be deemed to be costs of the approved Project. The approved Project may be completed with all necessary equipment and appurtenances.

The Municipality shall determine the application of available moneys for the Project so as to accomplish, as nearly as may be, the Project described or provided for in this section.

If the Municipality shall determine that it has become impractical to accomplish any portion of the approved Project 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 Project has been completed in whole or in part, or its completion duly provided for, or its completion found to be impractical, 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 Project, the Municipality shall use the available funds for paying the cost of those portions of the approved Project 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 Project, which is 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 Nine Million Dollars ($9,000,000)\text{[Twelve Million Five Hundred Thousand Dollars ($12,500,000)]}.\]

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 \$9,000,000\text{[}$12,500,000\text{]}\]. 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 Project 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 RESTROOM BONDS

For the purpose of providing areawide public restrooms within the Municipality of Anchorage, of The Portland Loo type or similar, as provided in AO 2023-___, shall Anchorage borrow money and issue up to \$9,000,000\text{[}$12,500,000\text{]}\] in principal amount of general obligation bonds \textbf{and increase the municipal tax cap by an annual amount not to exceed \$540,000 \text{[}$900,000\text{]} 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 $1.83[$2.54] to retire the proposed bonds, and (ii) an annual increase in the municipal tax cap (Charter 14.03(b)(2)) of approximately $1.43[$2.38] 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 include the Project and increase the amount of the Areawide 2024 CIB by Nine Million Dollars ($9,000,000)[Twelve Million Five Hundred Thousand Dollars ($12,500,000)].

Section 5. 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 by the Assembly.

PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this ___ day of __________, 2023.

By ______________________
Chair of the Assembly

ATTEST:

Municipal Clerk
MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 951-2023

Meeting Date: December 5, 2023

Submitted by: Assembly Members Chris Constant, Meg Zaletel and Anna Brawley

Subject: AO 2023-114(S-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 NINE MILLION DOLLARS ($9,000,000) [TWELVE MILLION FIVE HUNDRED THOUSAND DOLLARS ($12,500,000)] OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AN AREAWIDE PUBLIC RESTROOM PROJECT, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 2, 2024 AND APPROVING AND ADDING A PROJECT TO THE AREAWIDE 2024 CIB TO INCLUDE THE PUBLIC RESTROOM PROJECT.

The attached (S-1) version of the ordinance is introduced to reduce the estimated annual operations and maintenance (O&M) costs of the public restrooms. There are several cities that have maintained and operated Portland Loo style public bathrooms for years, succinctly summarized in October 2019 report “Findings and Take-Aways for Washington DC From a Questionnaire Administered to Cities that Have Installed the Portland Loo.”¹ This report includes some annual O&M costs for that product, generally stating, in 2019, it was “$12,000 to $20,000 [to maintain] depending on location and daily use,”² and from cities that responded to a survey that installed them in city areas (as opposed to in parks) the number of times per day for cleaning was “[b]etween 1 and 3 times/day depending on use.”³ There are several articles available online regarding the costs to maintain these public restrooms, and a common theme is an appropriate strategic location will make a difference in keeping that expense low.⁴

² Id., footnote 6.
³ Id. at Attachment 3.
Finally, in correspondence with the sponsors, some other cities provided the following annual O&M per unit costs:

<table>
<thead>
<tr>
<th>City</th>
<th>Cost Information Reported</th>
<th>Annual O&amp;M per unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medford, OR</td>
<td>$900 per month (contract + personnel)</td>
<td>$10,800</td>
</tr>
<tr>
<td>Sumner, WA</td>
<td>1 city staff cleans once daily, $60/hr takes 30 mins</td>
<td>$10,950</td>
</tr>
<tr>
<td>Surrey, CA</td>
<td>2 Portland Loos, maintenance for both $25,000 annually</td>
<td>$12,500</td>
</tr>
<tr>
<td>Vancouver, WA</td>
<td>2 Portland Loos: contracted for cleaning: $85 for 1 cleaning/day, additional $70 per day May - September. $44,378.00 for both yearly.</td>
<td>$22,189</td>
</tr>
</tbody>
</table>

The original O&M costs in AO 2023-114(S) were calculated by the Administration, which explained there was a similar bond proposition proposal for Portland Loo style public restrooms developed in 2021, and at that time the estimated O&M was based on $5,000 for utilities, $10,000 for anticipated repairs and maintenance of the equipment, and $25,000 for cleaning. The cleaning cost estimate was based on assumptions of 4 cleanings per day with a crew of 2, 3.5 person-hours/day for one unit (with travel time), that equated to slightly less than 2 hours per crew per day each unit. The total then was $40,000 per unit.

We believe the assumptions were above the amount needed for a reasonable level of service, and well beyond typical service levels, based on information from other jurisdictions who already operate these units. While some public restrooms may need more than 1 cleaning per day due to location, the vast majority only require one. Using the assumption of $10,000 per unit with an average of 1 cleaning per day, and allowing a contingency amount assuming that some units in more heavy-traffic areas will require additional cleanings, renders a more realistic estimate. We started with the 2021 estimate for utilities and repair maintenance as a base, then adjusted for the cumulative inflation rate since then (13.6%). This yields the following estimates:

Utilities: $5,680  
Maintenance/Repairs: $11,360  
Cleaning: $10,000  
Total: $27,040.

We have rounded up to $30,000, for an approximate 10% contingency.

Based on the assumptions of 18 standalone units in place and an annual O&M cost of $30,000 per unit, we assume an increase in O&M of $540,000 in the bond ballot proposition. This requires voter approval of an increase in the annual tax cap.

Jacksonville: https://www.metrojacksonville.com/article/2012-feb-portland-loo-success-where-others-have-failed
limitation of $1.43 per $100,000 of assessed taxable property value in the
Municipality. These figures are indicated in the ballot proposition language on p. 3-
4 of the (S-1) version of the ordinance, Exhibit A, and the revised SEE submitted
herewith.

Prepared by: Assembly Members Chris Constant,
Meg Zaletel and Anna Brawley

Acknowledged by: Alden Thern, CFO
Acknowledged by: Anne Helzer, Municipal Attorney
Acknowledged by: Sharon Lechner, Acting OMB Director
Acknowledged by: Kent E. Kohlhase, Municipal Manager

Submitted by: Assembly Members Chris Constant,
Meg Zaletel and Anna Brawley
**EXHIBIT A**  
(for AO 2023-114(S-1))

**Areawide Public Restrooms**  
2024 Bond Project List  
(000)'s

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
<th>O&amp;M</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Portland Loo, or similar, stand alone bathrooms</td>
<td>$9,000($12,500)</td>
<td>$540 ($900)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$9,000($12,500)</td>
<td>$540 ($900)</td>
</tr>
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</table>
MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2023-114(S-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 NINE MILLION DOLLARS ($9,000,000) TWELVE MILLION FIVE HUNDRED THOUSAND DOLLARS ($12,500,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AN AREAWIDE PUBLIC RESTROOM PROJECT, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 2, 2024 AND APPROVING AND ADDING A PROJECT TO THE AREAWIDE 2024 CIB TO INCLUDE THE PUBLIC RESTROOM PROJECT.

Sponsors: Assembly Members Chris Constant, Meg Zaletel and Anna Brawley
Prepared By: Assembly Members Chris Constant, Meg Zaletel and Anna Brawley and Public Finance Staff
Others Impacted: Areawide Service Area: Public Restrooms

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

<table>
<thead>
<tr>
<th></th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
<th>FY26</th>
<th>FY27</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1000 Personal Services</td>
<td>1,230.4</td>
<td>1,230.4</td>
<td>1,230.4</td>
<td>1,230.4</td>
<td>1,230.4</td>
</tr>
<tr>
<td>2000 Supplies</td>
<td>690.4</td>
<td>690.4</td>
<td>690.4</td>
<td>690.4</td>
<td>690.4</td>
</tr>
<tr>
<td>3000 Other Services</td>
<td>640.0</td>
<td>640.0</td>
<td>640.0</td>
<td>640.0</td>
<td>640.0</td>
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<tr>
<td>4000 Debt Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5000 Capital Outlay</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL DIRECT COSTS:--</td>
<td>1,230.4</td>
<td>1,230.4</td>
<td>1,230.4</td>
<td>1,230.4</td>
<td>1,230.4</td>
</tr>
</tbody>
</table>

ADD: 6000 Charge from Others
LESS: 7000 Charge to Others

FUNCTION COST:

REVENUES:

CAPITAL:

POSITIONS: FT/PT and Temp.

PUBLIC SECTOR ECONOMIC EFFECTS:
Estimated annual debt service of $690,366 [$958,842] 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 $540,000 ($900,000).

PRIVATE SECTOR ECONOMIC EFFECTS:
Estimated annual debt service payments of approximately $690,366 [$958,842] equate to an estimated property tax increase of 0.0183 [0.0254] mills or $1.83 [$2.54] per year on $100,000 of assessed valuation in the Municipality areawide.

When fully operational, increased annual operations and maintenance costs are estimated at $540,000 ($900,000) and equate to an estimated property tax increase of 0.0143 [0.0238] mills or $1.43 [$2.38] 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 $3.26 [$4.21] per $100,000 of assessed valuation.