

ASSEMBLY MEMBER SULTE and RIVERA
AO No. 2024-105

Project Anchorage

S Version Worksession



Project Anchorage Goals

Revitalizing Anchorage through dedicated capital investment

- Investing in ourselves to reverse net out migration trends
- Growing our economy by making public investments that spur additional private development
- Building new projects to improve our quality of life

Providing property tax relief

- Reducing property taxes for those that are currently paying in the top 5% of property tax paying counties in the U.S.
- Increase housing affordability
 - \$1,195 per year property tax reduction on average home

Diversifying our tax base

- Capture visitor spending of commuters, transient workers, and tourists who use our services mostly for free

Community Engagement Process

May 2024: Conducted professional research to learn the type of sales tax that Anchorage voters would be willing to pay

June 2024: Launched Public Conversation

- Engaged with 100+ community groups by attending meetings, hosting listening sessions and informing of project idea process throughout summer and fall
- Invested in paid media to spread the word about the Project Anchorage project portal all across Anchorage
- Collected 300+ project ideas from Anchorage residents

Project Recommendation Process

All projects came from the community of Anchorage

Project Organization Committee

- Formed volunteer committee to organize and evaluate projects to be sent to a professional poll, telling us which projects were most attractive to Anchorage residents

Project Costing Committee

- Formed volunteer committee of architects, designers, engineers and general contractors to apply rough order of magnitude cost estimates to projects with net public support

Assembly Timeline

- August: Initial work session
- October: Work session to introduce first version of AO
- October-December:
 - Three additional work sessions
 - Two public hearings
- Action set for January 7, 2025 regular Assembly meeting

Changes in the sponsor S Version

Changes focused on:

- Clarity and specificity
- Community requested changes
- Assembly member requested changes
- Including recommended project slate

Substantive Changes to the S Version

Inclusion of proposed project slate, including community defined priorities

- 11 proposed investments
- Resident-driven
- Geographically diverse
- Public projects for public enjoyment
- Includes funding for public safety and snow removal fleet
- Responsibly creates fund to maintain and operate projects

Substantive Changes (cont'd)

Enhanced language around operations and maintenance

- Directs that a minimum of 5% and up to 15% of the net receipts of the MAPs 1% sales and use tax be invested to fund future operations, maintenance and safety costs of projects, ensuring responsible development and upkeep of projects for the long-term

Updates the definition of the MAPs Citizen Advisory Board to clarify the board's advisory role

Substantive Changes (cont'd)

Nonprofit Exempt Purchaser language:

- Includes more detailed nonprofit exemption language
- Incorporates Foraker Group suggested language regarding exemption for nonprofit entities and process for validation of exempt status

Substantive Changes (cont'd)

Keeps business information confidential

- Includes language to protect the confidentiality of transactions and business data to protect both consumers and retailers

Exempts regional housing authorities

- Includes language to establish that the sales of regional housing authorities are not taxable

Substantive Changes (cont'd)

Incorporates Member Bronga amendments:

- Exempts contraceptives from the sales and use tax
- Exempts qualified educator expenses
- Applies sales and use tax on alcohol, marijuana and tobacco purchases for all purchasers

Substantive Changes (cont'd)

Enhances online sales tax collection language:

- Adopts the Alaska Uniform Remote Sellers Sales Tax Code by reference
- Streamlines collection and remittance of tax on remote (online) sales

Substantive Changes (cont'd)

Added slate of capital investments:

1. **Public Safety Vehicle Fleet** - replace vehicles to improve public safety response capabilities
2. **Snow Removal Heavy Equipment Fleet** - improve snow plowing by replacing aging equipment
3. **Kincaid Trailside Facility** – full-service facility including food and beverage concessions, outdoor gear rentals, year-round recreation space, and other amenities
4. **Goose Lake Trailside Facility** – replacement of existing structure with full-service facility including food and beverage concessions, outdoor gear rentals, year-round recreation space, and other amenities
5. **Westchester Lagoon Trailside Facility** - full-service facility including food and beverage concessions, outdoor gear rentals, year-round recreation space, and other amenities
6. **Anchorage Children’s Museum** – a facility offering exhibits and programs designed for children
7. **Downtown Arts and Entertainment Redevelopment** – upgrade the Performing Arts Center and improve downtown core pedestrian experience with lighting, wayfinding, walkways, and other pedestrian infrastructure
8. **East Anchorage Sports Center** – indoor sports center including an indoor track, open turf space, court space, and other features that make sporting activities available to the community
9. **Chester Creek Sports Complex Redevelopment** – a sports facility offering indoor commercial space and other amenities complementing the area’s revitalization
10. **Eagle River Sports Center** – indoor sports center including an indoor track, open turf space, court space, and other features that make sporting activities available to the community
11. **Girdwood Arts & Recreation District** – a community space for art events, and an RV park

Amendments forthcoming

- Marijuana and Alcohol Tax exemptions
- Sales tax exemption to anyone making 80% AMI or less verified annually through a universal municipal benefit application.
 - Removal of 'vices' from this exemption

THANK YOU.

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