

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2023-132(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 DOLLARS (\$4,000,000)~~[FIVE MILLION NINE HUNDRED THOUSAND DOLLARS (\$5,900,000)]~~ OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF ACCESS IMPROVEMENTS IN THE CHUGACH STATE PARK ACCESS SERVICE AREA~~[, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE CHUGACH STATE PARK SERVICE AREA]~~ AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 2, 2024, AND APPROVING AND ADDING ADDITIONAL PROJECTS TO THE 2024 CIB TO INCLUDE THE CHUGACH STATE PARK ACCESS SERVICE AREA PROJECTS.

Prepared by

K&L GATES LLP

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2023-132(S)**

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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.

Submitted by: Assembly Members Meg
Zaletel and Daniel
Volland

Prepared by: Cynthia M. Weed, Bond
Counsel
K&L GATES LLP

For Reading: January 9, 2024

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ORDINANCE No. 2023-132(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 DOLLARS (\$4,000,000)~~FIVE MILLION NINE HUNDRED THOUSAND DOLLARS (\$5,900,000)~~ OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF ACCESS IMPROVEMENTS IN THE CHUGACH STATE PARK ACCESS SERVICE AREA, ~~AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE CHUGACH STATE PARK SERVICE AREA~~ AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 2, 2024, AND APPROVING AND ADDING ADDITIONAL PROJECTS TO THE 2024 CIB TO INCLUDE THE CHUGACH STATE PARK ACCESS SERVICE AREA PROJECTS.

WHEREAS, the best interest of the citizens and property owners in Chugach State Park Access Service Area (“CASA”) and the Municipality of Anchorage, Alaska (the “Municipality”) require the Municipality to acquire access improvements (the “Projects”); and

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

WHEREAS, the Assembly desires to alter the 2024 CIB to include 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 \$4,000,000~~(\$5,900,000)~~ (the “Bonds”); now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Purpose. The Assembly hereby determines that the Projects are needed throughout the CASA. The Assembly hereby determines that the best

1 interest of the residents and property owners within CASA require the Municipality
2 to undertake the Projects at the time and in the order and in the manner deemed
3 most necessary and advisable by the Municipality. The estimated cost of the
4 Projects, including incidental costs and costs related to issuing and selling the
5 Bonds as provided in this ordinance, is estimated to be \$4,000,000~~[\$5,900,000]~~.

6
7 The Assembly hereby finds it necessary to alter the 2024 CIB to include the
8 Projects.

9
10 The Projects are described in more detail in the Assembly Memorandum
11 accompanying this ordinance. The cost of all necessary planning, acquisition of
12 property for, site preparation, construction, installing and equipping of the Projects,
13 architectural, engineering, design, and other consulting services, inspection and
14 testing, administrative expenses, costs of issuance of the Bonds and other costs
15 incurred in connection with the Projects shall be deemed to be costs of the approved
16 Projects. The approved Projects may be completed with all necessary equipment
17 and appurtenances. All components of the Projects shall be situated on property
18 situated within the boundaries of the Municipality, and shall be owned by the
19 Municipality.

20
21 The Municipality shall determine the application of available moneys for the
22 Projects so as to accomplish, as nearly as may be, the Projects described or
23 provided for in this section.

24
25 If the Municipality shall determine that it has become impractical to
26 accomplish any portion of the approved Projects by reason of changed conditions
27 or needs, incompatible development or costs substantially in excess of those
28 estimated, the Municipality shall not be required to accomplish such portions and
29 shall apply Bond proceeds as set forth in this section.

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

44
45 For the purpose of providing funds for the undertaking of the Projects, which
46 is hereby found to be a public purpose and in the public interest, the Municipality

1 hereby proposes to issue general obligation bonded indebtedness in an amount not
2 to exceed **Four Million Dollars (\$4,000,000)**~~**Five Million Nine Hundred**~~
3 ~~**Thousand Dollars (\$5,900,000)**~~.

4
5 **Section 2. Details of Bonds.** The Bonds shall be sold in such amounts and at
6 such time or times as deemed necessary and advisable by the Assembly and as
7 permitted by law and shall mature over a period of up to 20 years from date of issue.
8 The Bonds shall be issued in an aggregate principal amount of not to exceed
9 **\$4,000,000**~~**\$5,900,000**~~. The Bonds shall bear interest to be fixed at the time of
10 sale or sales thereof. The exact form, terms, conditions, contents, security, options
11 of redemption, and such other matters relating to the issuance and sale of said
12 Bonds as are deemed necessary and advisable by the Assembly shall be as
13 hereinafter determined and/or delegated by ordinance and/or resolution of the
14 Assembly.

15
16 The full faith and credit of the Municipality is pledged for the payment of the
17 principal of and interest on the Bonds, and ad valorem taxes upon all taxable
18 property in the Municipality shall be levied without limitation as to rate or amount to
19 pay the principal and interest on the Bonds when due. The principal of and interest
20 on the Bonds are to be paid first from ad valorem taxes levied and collected within
21 the CASA.

22
23 **Section 3. Ballot Proposition.** The Assembly hereby submits to the qualified
24 voters of the Municipality the proposition of whether or not the Municipality should
25 issue the Bonds for the purpose of financing the costs of the approved Projects at
26 the regular municipal election to be held on April 2, 2024.

27
28 The Clerk shall prepare the ballot proposition to be submitted to the voters
29 as provided by this ordinance and the Municipal Code and shall perform all
30 necessary steps in accordance with law to place this proposition before the voters
31 at the regular election. The proposition must receive a majority vote of those in the
32 Municipality voting, both in the CASA and areawide, on the question to be approved.
33 The proposition shall be substantially in the following form:

34
35 PROPOSITION NO. ____

36
37 **CHUGACH STATE PARK ACCESS SERVICE AREA BONDS**

38
39 For the purpose of providing public access
40 improvements to roads and for parking to trailheads of
41 the Chugach State Park and within the Chugach State
42 Park Access Service Area, including Canyon Road~~;~~
43 ~~**Basher Drive, Campbell Airstrip Road, Kings Way**~~
44 ~~**Drive, Black Bear Drive, Snow Bear Drive, and**~~
45 ~~**Honey Bear Lane**~~, as provided in AO 2023-____, shall
46 Anchorage borrow money and issue up to

1 **\$4,000,000**~~**\$5,900,000**~~ in principal amount of general
2 obligation bonds~~**and increase the municipal tax cap**~~
3 ~~**by an annual amount not to exceed \$4,724 within the**~~
4 ~~**Chugach State Park Access Service Area to pay for**~~
5 ~~**associated annual operations and maintenance**~~
6 ~~**costs**~~?

7
8 Voter approval of this bond proposition authorizes for
9 each \$100,000 of assessed taxable property value
10 (based on the estimated 2024 assessed valuation in the
11 Chugach State Park Access Service Area)~~**:(i)**~~ an
12 annual increase in taxes of approximately **\$0.95**~~**\$1.40**~~
13 to retire the proposed bonds~~**, and (ii) an annual**~~
14 ~~**increase in the municipal tax cap (Charter**~~
15 ~~**14.03(b)(2)) of approximately \$0.01 to pay for annual**~~
16 ~~**operation and maintenance costs related to the**~~
17 ~~**proposed capital improvements**~~.

18
19 The debt shall be paid from real and personal property
20 taxes levied and collected within the Chugach State
21 Park Access Service Area, without cost to properties
22 outside the Service Area. The Municipality will also
23 pledge its full faith and credit for payment of the debt.

24
25 YES NO

26
27 **Section 4.** 2024 CIB. The Assembly hereby alters the 2024 CIB to include the
28 Projects and increase the amount of the 2024 CIB by **Four Million Dollars**
29 ~~**(\$4,000,000)**~~~~**Five Million Nine Hundred Thousand Dollars (\$5,900,000)**~~.

30
31 **Section 5.** Effective Dates. Section 2 of this ordinance shall become effective
32 only if the proposition described in Section 3 is approved by a majority of the
33 qualified voters voting on the proposition at the regular election held on April 2, 2024.
34 The remaining sections of this ordinance shall become effective upon passage and
35 approval by the Assembly.
36

1
2
3
4
5
6
7
8
9
10
11
12

PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this
____ day of _____, 2024.

By _____
Chair of the Assembly

ATTEST:

Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM -2024

Meeting Date: January 9, 2024

1 **Submitted by:** Assembly Members Meg Zaletel and Daniel Volland

2
3 **Subject:** AO 2023-132(S): AN ORDINANCE PROVIDING FOR THE
4 SUBMISSION TO THE QUALIFIED VOTERS OF THE
5 MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION OF
6 THE ISSUANCE OF NOT TO EXCEED **FOUR MILLION DOLLARS**
7 **(\$4,000,000)**~~**FIVE MILLION NINE HUNDRED THOUSAND**~~
8 ~~**DOLLARS (\$5,900,000)**~~ OF GENERAL OBLIGATION BONDS OF
9 THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF
10 ACCESS IMPROVEMENTS IN THE CHUGACH STATE PARK
11 ACCESS SERVICE AREA, ~~**AND THE QUESTION OF AN**~~
12 ~~**INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY**~~
13 ~~**ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE**~~
14 ~~**CHUGACH STATE PARK SERVICE AREA**~~ AT THE ELECTION TO
15 BE HELD IN THE MUNICIPALITY ON APRIL 2, 2024, AND
16 APPROVING AND ADDING ADDITIONAL PROJECTS TO THE 2024
17 CIB TO INCLUDE THE CHUGACH STATE PARK ACCESS
18 SERVICE AREA PROJECTS.

19
20 The attached (S) version of the ordinance is introduced to reduce the not to exceed
21 bond amount from \$5.9 million to \$4 million and remove projects from the project
22 list. This (S) version will place a general obligation bond proposition for the Chugach
23 State Park Access Service Area (“CASA”) Project (the “Project”) on the ballot for the
24 regular Municipal election to be held on April 2, 2024. The ordinance will also alter
25 the CASA 2024 CIB Budget.

26
27 **Sunnyside Trail Access Improvement Project:** This project is for the
28 reconditioning and paving of Canyon Road from Echo Canyon Road to the Chugach
29 State Park boundary. Road improvements would include the ability to park on the
30 side of the road. This is the primary access point for the Sunnyside trailhead
31 accessing the backside of Flat Top and Rabbit Lakes within Chugach State Park.

32
33 The Assembly desires to continue with a public hearing for this bond ordinance on
34 January 9, 2024.

35
36 Please see the attached revised Project List, attached as Exhibit A.

1	Prepared by:	Assembly Members Meg Zaletel and Daniel Volland
2	Acknowledged by:	Alden Thern, CFO
3	Acknowledged by:	Anne Helzer, Municipal Attorney
4	Acknowledged by:	Sharon Lechner, OMB Director
5	Acknowledged by:	Kent E. Kohlhase, Municipal Manager
6	Submitted by:	Assembly Members Meg Zaletel and Daniel Volland

EXHIBIT A
(for AO 2023-132(S))

Chugach State Park Access Service Area
2024 Bond Projects List
(000)'s

<u>Project</u>	<u>Amount</u>	<u>O&M</u>
Sunnyside Trail Access Improvement	\$4,000	-
Basher Trailhead Overflow Parking Improvement Project	1,300	\$0.7
Campbell Airstrip Road Improvement Project	300	=
Access Improvements for McHugh Peak Trailhead Project	300	4.0
Total	\$4,000(\$5,900)	-\$4.7

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2023-132(S) 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 DOLLARS (\$4,000,000)**~~**FIVE MILLION NINE HUNDRED THOUSAND DOLLARS (\$5,900,000)**~~ OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF ACCESS IMPROVEMENTS IN THE CHUGACH STATE PARK ACCESS SERVICE AREA~~, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE CHUGACH STATE PARK SERVICE AREA~~ AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 2, 2024, AND APPROVING AND ADDING ADDITIONAL PROJECTS TO THE 2024 CIB TO INCLUDE THE CHUGACH STATE PARK ACCESS SERVICE AREA PROJECTS.

Sponsors: Assembly Members Meg Zaletel and Daniel Volland
 Prepared By: Assembly Members Meg Zaletel and Daniel Volland and Public Finance Staff
 Others Impacted: Chugach State Park Access Service Area

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY23	FY24	FY25	FY26	FY27
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	--	--[4.7]	--[4.7]	--[4.7]	--[4.7]
4000 Debt Service	--	306.8[452.6]	306.8[452.6]	306.8[452.6]	306.8[452.6]
5000 Capital Outlay					
TOTAL DIRECT COSTS:	--	306.8[457.3]	306.8[457.3]	306.8[457.3]	306.8[457.3]

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 **\$306,829[452,573]** 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 \$4,724.]**~~

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately **\$306,829[452,573]** equate to an estimated property tax increase of **0.0095[0.0140]** mills or **\$0.95[\$1.40]** per year on \$100,000 of assessed valuation in the Chugach State Park Access Service Area.

~~**[When fully operational, increased annual operations and maintenance costs are estimated at \$4,724 and equate to an estimated property tax increase of 0.0001 mills or \$0.01 per year on \$100,000 of assessed valuation in the Chugach State Park Access Service Area and an increase in the Municipal tax cap limitation.]**~~

~~**The total private sector economic effect would therefore be a total of \$1.41 per \$100,000 of assessed valuation in the Chugach State Park Access Service Area.]**~~