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.
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
interest of the residents and property owners within CASA 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 $4,000,000[5,900,000].

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

The Projects are 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 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. All components of the Projects shall be situated on property situated within the boundaries of the Municipality, and shall be owned by the Municipality.

The Municipality shall determine the application of available moneys for the 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 Municipality capital improvements within the Chugach State Park Service Area. 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 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 **Four Million Dollars ($4,000,000) [Five Million Nine Hundred Thousand Dollars ($5,900,000)].**

**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 **$4,000,000 [$5,900,000].** 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. The principal of and interest on the Bonds are to be paid first from ad valorem taxes levied and collected within the CASA.

**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 a majority vote of those in the Municipality voting, both in the CASA and areawide, on the question to be approved. The proposition shall be substantially in the following form:

**PROPOSITION NO. ____

CHUGACH STATE PARK ACCESS SERVICE AREA BONDS

For the purpose of providing public access improvements to roads and for parking to trailheads of the Chugach State Park and within the Chugach State Park Access Service Area, including Canyon Road, Basher Drive, Campbell Airstrip Road, Kings Way Drive, Black Bear Drive, Snow Bear Drive, and Honey Bear Lane, as provided in AO 2023-____, shall Anchorage borrow money and issue up to
$4,000,000[$5,900,000] in principal amount of general obligation bonds[ and increase the municipal tax cap by an annual amount not to exceed $4,724 within the Chugach State Park Access Service Area to pay for associated annual operations and maintenance costs]? 

Voter approval of this bond proposition authorizes for each $100,000 of assessed taxable property value (based on the estimated 2024 assessed valuation in the Chugach State Park Access Service Area)[$: (i)] an annual increase in taxes of approximately $0.95[$1.40] to retire the proposed bonds[ and (ii) an annual increase in the municipal tax cap (Charter 14.03(b)(2)) of approximately $0.01 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 within the Chugach State Park Access Service Area, without cost to properties outside the Service Area. The Municipality will also pledge its full faith and credit for payment of the debt.

☐ YES  ☐ NO

Section 4. 2024 CIB. The Assembly hereby alters the 2024 CIB to include the Projects and increase the amount of the 2024 CIB by Four Million Dollars ($4,000,000)[$Five Million Nine Hundred Thousand Dollars ($5,900,000)].

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 ____________, 2024.

By __________________

Chair of the Assembly

ATTEST:

______________________________
Municipal Clerk
Submitted by: Assembly Members Meg Zaletel and Daniel Volland

Subject: AO 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.

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

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

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

Please see the attached revised Project List, attached as Exhibit A.
## EXHIBIT A
(for AO 2023-132(S))

### Chugach State Park Access Service Area

#### 2024 Bond Projects List

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
<th>O&amp;M</th>
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</thead>
<tbody>
<tr>
<td>Sunnyside Trail Access Improvement</td>
<td>$4,000</td>
<td></td>
</tr>
<tr>
<td><a href="#">Basher Trailhead Overflow Parking Improvement Project</a></td>
<td>1,300</td>
<td>$0.7</td>
</tr>
<tr>
<td>Campbell Airstrip Road Improvement Project</td>
<td>300</td>
<td></td>
</tr>
<tr>
<td>Access Improvements for McHugh Peak Trailhead Project</td>
<td>300</td>
<td>4.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$4,000 ($5,500)</td>
<td>($4.7)</td>
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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)

<table>
<thead>
<tr>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
<th>FY26</th>
<th>FY27</th>
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<tr>
<td>2000 Supplies</td>
<td>3000 Other Services</td>
<td>306.8[452.6]</td>
<td>306.8[452.6]</td>
<td>306.8[452.6]</td>
</tr>
<tr>
<td>4000 Debt Service</td>
<td>5000 Capital Outlay</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>TOTAL DIRECT COSTS:</td>
<td>--</td>
<td>306.8[457.3]</td>
<td>306.8[457.3]</td>
<td>306.8[457.3]</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 $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.]