

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2023-132

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 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

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ORDINANCE No. 2023-132**

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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
Randy Sulte, Zac
Johnson and Karen
Bronga

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

For Reading: December 5, 2023

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2023-132**

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 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 \$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

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

5
6 The Assembly hereby finds it necessary to alter the 2024 CIB to include the
7 Projects.

8
9 The Projects are described in more detail in the Assembly Memorandum
10 accompanying this ordinance. The cost of all necessary planning, acquisition of
11 property for, site preparation, construction, installing and equipping of the Projects,
12 architectural, engineering, design, and other consulting services, inspection and
13 testing, administrative expenses, costs of issuance of the Bonds and other costs
14 incurred in connection with the Projects shall be deemed to be costs of the approved
15 Projects. The approved Projects may be completed with all necessary equipment
16 and appurtenances. All components of the Projects shall be situated on property
17 situated within the boundaries of the Municipality, and shall be owned by the
18 Municipality.

19
20 The Municipality shall determine the application of available moneys for the
21 Projects so as to accomplish, as nearly as may be, the Projects described or
22 provided for in this section.

23
24 If the Municipality shall determine that it has become impractical to
25 accomplish any portion of the approved Projects by reason of changed conditions
26 or needs, incompatible development or costs substantially in excess of those
27 estimated, the Municipality shall not be required to accomplish such portions and
28 shall apply Bond proceeds as set forth in this section.

29
30 If the approved Projects have been completed in whole or in part, or their
31 completion duly provided for, or their completion found to be impractical, the
32 Municipality may apply Bond proceeds or any portion thereof to other voter-
33 approved and not rescinded Municipality capital improvements within the Chugach
34 State Park Service Area. Otherwise, the Municipality shall apply such remaining
35 proceeds solely to payment of principal or interest on the Bonds, as provided in the
36 Home Rule Charter. In the event that the proceeds of sale of the Bonds, plus any
37 other monies of the Municipality legally available, are insufficient to accomplish the
38 approved Projects, the Municipality shall use the available funds for paying the cost
39 of those portions of the approved Projects deemed by the Municipality most
40 necessary and in the best interest of the Municipality. No Bond proceeds shall be
41 used by the Municipality for any purpose other than a capital improvement of the
42 Municipality.

43
44 For the purpose of providing funds for the undertaking of the Projects, which
45 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 Five Million Nine Hundred Thousand Dollars (\$5,900,000).

3
4 **Section 2.** Details of Bonds. The Bonds shall be sold in such amounts and at
5 such time or times as deemed necessary and advisable by the Assembly and as
6 permitted by law and shall mature over a period of up to 20 years from date of issue.
7 The Bonds shall be issued in an aggregate principal amount of not to exceed
8 \$5,900,000. The Bonds shall bear interest to be fixed at the time of sale or sales
9 thereof. The exact form, terms, conditions, contents, security, options of
10 redemption, and such other matters relating to the issuance and sale of said Bonds
11 as are deemed necessary and advisable by the Assembly shall be as hereinafter
12 determined and/or delegated by ordinance and/or resolution of the Assembly.

13
14 The full faith and credit of the Municipality is pledged for the payment of the
15 principal of and interest on the Bonds, and ad valorem taxes upon all taxable
16 property in the Municipality shall be levied without limitation as to rate or amount to
17 pay the principal and interest on the Bonds when due. The principal of and interest
18 on the Bonds are to be paid first from ad valorem taxes levied and collected within
19 the CASA.

20
21 **Section 3.** Ballot Proposition. The Assembly hereby submits to the qualified
22 voters of the Municipality the proposition of whether or not the Municipality should
23 issue the Bonds for the purpose of financing the costs of the approved Projects at
24 the regular municipal election to be held on April 2, 2024.

25
26 The Clerk shall prepare the ballot proposition to be submitted to the voters
27 as provided by this ordinance and the Municipal Code and shall perform all
28 necessary steps in accordance with law to place this proposition before the voters
29 at the regular election. The proposition must receive a majority vote of those in the
30 Municipality voting, both in the CASA and areawide, on the question to be approved.
31 The proposition shall be substantially in the following form:

32
33 PROPOSITION NO. _____

34
35 CHUGACH STATE PARK ACCESS SERVICE AREA BONDS

36
37 For the purpose of providing public access
38 improvements to roads and for parking to trailheads of
39 the Chugach State Park and within the Chugach State
40 Park Access Service Area, including Canyon Road,
41 Basher Drive, Campbell Airstrip Road, Kings Way Drive,
42 Black Bear Drive, Snow Bear Drive, and Honey Bear
43 Lane, as provided in AO 2023-____, shall Anchorage
44 borrow money and issue up to \$5,900,000 in principal
45 amount of general obligation bonds and increase the
46 municipal tax cap by an annual amount not to exceed

1 \$4,724 within the Chugach State Park Access Service
2 Area to pay for associated annual operations and
3 maintenance costs?
4

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

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

21 YES NO
22

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

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

33 PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this
34 ___ day of _____, 2023.
35

36
37 By _____
38 Chair of the Assembly
39

40 ATTEST:
41
42

43 _____
44 Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2023-132 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 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 Randy Sulte and Zac Johnson and Karen Bronga
 Prepared By: Assembly Members Randy Sulte and Zac Johnson and Karen Bronga 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 | -- | 452.6 | 452.6 | 452.6 | 452.6 |
| 5000 Capital Outlay | | | | | |
| TOTAL DIRECT COSTS: | -- | 457.3 | 457.3 | 457.3 | 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 \$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 \$452,573 equate to an estimated property tax increase of 0.0140 mills or \$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.



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 954-2023

Meeting Date: December 5, 2023

1 **Submitted by:** Assembly Members Randy Sulte and Zac Johnson and
2 Karen Bronga
3

4 **Subject:** AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE
5 QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE,
6 ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO
7 EXCEED FIVE MILLION NINE HUNDRED THOUSAND DOLLARS
8 (\$5,900,000) OF GENERAL OBLIGATION BONDS OF THE
9 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 INCREASE
12 IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED
13 OPERATIONS AND MAINTENANCE COSTS IN THE CHUGACH
14 STATE PARK SERVICE AREA AT THE ELECTION TO BE HELD IN
15 THE MUNICIPALITY ON APRIL 2, 2024, AND APPROVING AND
16 ADDING ADDITIONAL PROJECTS TO THE 2024 CIB TO INCLUDE
17 THE CHUGACH STATE PARK ACCESS SERVICE AREA
18 PROJECTS.
19

20 The attached ordinance will place a general obligation bond proposition for the
21 Chugach State Park Access Service Area Projects (the "Projects") on the ballot for
22 the regular Municipal election to be held on April 2, 2024. The ordinance will also
23 alter the Areawide 2024 CIB Budget.
24

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

31 **Basher Trailhead Overflow Parking Improvement Project:** This project develops
32 a design package and construction of additional unpaved parking for Basher
33 Trailhead on Basher Drive. At times, cars line Basher Road blocking access to
34 emergency vehicles. Basher Trailhead is a popular trailhead to Wolverine and
35 Nearpoint.
36

1 **Campbell Airstrip Road Improvement Project:** This project is for engineering,
2 permitting and soils investigation to relocate Campbell Airstrip Road away from the
3 south fork of Campbell Creek.
4

5 **Access Improvements for McHugh Peak Trailhead Project:** This project is for
6 capital improvements (RAP, CS1 Oil, aggregate, calcium chloride, grader, water
7 truck, spreading, compacting) for approximately 1.2 miles of Kings Way Drive, Black
8 Bear Drive, Snow Bear Drive, and Honey Bear Lane. This is the primary access
9 point for the McHugh Peak trailhead.
10

11 The Assembly desires to schedule a public hearing for this bond ordinance on
12 December 19, 2023.
13

14 Please see the attached Project List, attached as Exhibit A.
15

| | |
|---------------------|--|
| 16 Prepared by: | Assembly Members Randy Sulte and Zac Johnson |
| 17 Acknowledged by: | Alden Thern, CFO |
| 18 Acknowledged by: | Anne Helzer, Municipal Attorney |
| 19 Acknowledged by: | Sharon Lechner, OMB Director |
| 20 Acknowledged by: | Kent E. Kohlhase, Municipal Manager |
| 21 Submitted by: | Assembly Members Randy Sulte and Zac Johnson |
| 22 | and Karen Bronga |

EXHIBIT A

**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 | \$5,900 | \$4.7 |