

Submitted by: Chair of the Assembly at  
the Request of the Mayor  
Prepared by: Department of Law  
For reading: October 7, 2025

**ANCHORAGE, ALASKA**  
**AR No. 2025-308**

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY  
AUTHORIZING THE USE OF ML&P SALE PROCEEDS TO RETIRE ACPA ROOF  
BOND AND CAMA TAX SYSTEM MUNICIPAL DEBT PURSUANT TO  
MUNICIPAL CHARTER SECTION 13.11(A).**

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**WHEREAS**, in 2004, the Municipality issued revenue bond debt (“ACPA Roof Bond”) in the amount of \$5,365,000 to fund roof repairs at the Alaska Center for the Performing Arts (“PAC” or “ACPA”); and,

**WHEREAS**, the ACPA Roof Bond is paid for by an “ACPA Surcharge Revenue Bond Fund” reserve established by AMC 10.45.060, that is itself funded by surcharge, also established by AMC 10.45.060, on each adult-admission ticket sold for an event held at the PAC; and,

**WHEREAS**, as of October 1, 2025, the remaining principal balance on the ACPA Roof Bond debt will be \$2,357,500; and,

**WHEREAS**, the ACPA Surcharge Revenue Bond Fund (Fund 301000) presently has a balance of slightly more than \$557,000, meaning an additional approximately \$1,800,500 is needed to retire the ACPA Roof Bond debt; and,

**WHEREAS**, in 2019, the Municipality incurred \$1,795,600 of municipal debt, pursuant to a master lease-purchase schedule authorized by AR 2017-335, to begin a Computer Aided Mass Assessment (“CAMA”) Upgrade Project; and,

**WHEREAS**, to complete the CAMA Upgrade Project, the Municipality ultimately borrowed \$6.85 million, of which more than \$3 million remains to be repaid, resulting in a general-government debt-service payment in 2025 of more than \$1.1 million, see Supplement to the Annual Comprehensive Financial Report, Detail Statements and Schedules at 207 Table X-7; and,

**WHEREAS**, on October 30, 2020, the Municipality sold Municipal Light and Power (“ML&P”), a municipal utility, pursuant to Charter Sections 16.02 and 16.04; and,

**WHEREAS**, Charter 13.11(a) provides the potential uses for proceeds from the sale of a municipal utility, reflecting the voter intent to preserve such proceeds for the future benefit of the municipality; and,

**WHEREAS**, Charter 13.11(a)(2) provides Assembly discretion that, “when a municipal-owned utility is sold,” proceeds from the sale may be used to retire other municipal debt if such debt is “deemed appropriate” by the Assembly; and,

1 **WHEREAS**, the Municipality had proceeds from the sale of ML&P in the amount of  
2 approximately \$650,000 of residual cash (and interest on that cash) originally  
3 retained to cover final expenses and accounting after the sale ("Retained  
4 Proceeds"); and,

5  
6 **WHEREAS**, the approximately \$650,000 of Retained Proceeds was an approved  
7 funding source in the 2025 General Government Operating Budget, AR 2024-92(S),  
8 As Amended, Attachment to AM 799-2024(A) at line 21; and,

9  
10 **WHEREAS**, the Municipality receives additional proceeds from the sale of ML&P in  
11 the form of monies received pursuant to a Chugach Electric Power Purchase  
12 Agreement, now amounting to more than \$2.4 million annually; and,

13  
14 **WHEREAS**, retiring the ACPA Roof Bond debt now will allow the assembly, through  
15 a future amendment to AMC 10.45.060, to reprogram ticket surcharges to fund other  
16 necessary capital repairs at the PAC; and,

17  
18 **NOW, THEREFORE, THE ANCHORAGE ASSEMBLY RESOLVES:**

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20 **Section 1.** As the ACPA Roof Bond debt and the CAMA Upgrade Project debt  
21 were debts of the municipality at the time of the sale of ML&P, the Assembly hereby  
22 deems these debts as "other municipal debt" pursuant to Charter 13.11(a)(2).  
23

24 **Section 2.** The Assembly hereby deems it appropriate to retire the ACPA Roof  
25 Bond debt and CAMA Upgrade project debt using ML&P utility sales proceeds  
26 pursuant to Charter 13.11(a)(2).  
27

28 **Section 3.** The Assembly hereby authorizes the use of ML&P sales proceeds to  
29 pay the ACPA Roof Bond debt in an amount not to exceed \$1,800,131.  
30

31 **Section 4.** The Assembly hereby authorizes the use of ML&P sales proceeds to  
32 pay the CAMA Upgrade Project debt in the amount of \$650,000.  
33

34 **Section 5.** This resolution shall be effective immediately upon passage and  
35 approval by the Assembly.  
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37  
38 PASSED AND APPROVED by the Anchorage Assembly this \_\_\_\_ day of  
39 \_\_\_\_\_, 2025.  
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44 Chair \_\_\_\_\_

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46 ATTEST:  
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48  
49 \_\_\_\_\_  
50 Municipal Clerk



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

AM No. 756-2025

Meeting Date: October 7, 2025

**FROM: MAYOR**

**SUBJECT: A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY  
AUTHORIZING THE USE OF ML&P SALE PROCEEDS TO RETIRE  
ACPA ROOF BOND AND CAMA TAX SYSTEM MUNICIPAL DEBT  
PURSUANT TO MUNICIPAL CHARTER SECTION 13.11(A).**

The attached resolution allows the Municipality to retire the current roof bond debt of the Alaska Center for Performing Arts ("PAC" or "ACPA"); if approved, the Assembly could, by future ordinance, allow ticket surcharges at the PAC to fund other PAC needs. The resolution also formalizes a decision implicitly made in the 2025 Municipal Budget, which allowed the Municipality to close a vestigial Municipal Light & Power ("ML&P") account.

Legally, the resolution proposes to make use of Charter Section 13.11(a)(2), which allows the Assembly, when a municipal utility is sold, to use "the proceeds" to "[r]etire . . . municipal debt deemed appropriate by the assembly" (emphasis added):

### **Section 13.11. Trust fund.**

- (a) When a municipal-owned utility is sold pursuant to section 16.02 of this Charter, the proceeds shall be used to:
- (1) Retire the debt of that utility;
  - (2) Retire other municipal debt deemed appropriate by the assembly;
  - (3) Establish a trust fund with the balance of the proceeds.

The Municipality sold substantially all of the assets of its former ML&P municipal utility to Chugach Electric Association ("CEA") in 2020, triggering Section 13.11. See Charter Section 16.04(b) (except for amounts equal to the utilities' former municipal utility service assessment, "proceeds of the sale of ML&P received by the municipality shall be disposed of in accordance with section 13.11.").

In connection with the transaction, CEA entered into a Power Purchase Agreement ("CEA PPA") with the Municipality, which obligated CEA to pay the Municipality an escalating annual amount for 35 years; the amount in 2025 is approximately \$2.6 million. In the final years, annual payments will be approximately \$3.5 million.<sup>1</sup> Payments received pursuant

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<sup>1</sup> See Eklutna Power Purchase Agreement at Exhibit D-1, available at: <https://www.muni.org/departments/assembly/documents/eklutna%20ppa-final%20execution%20form.pdf>.

to the CEA PPA are considered “proceeds” of the sale of ML&P.

To date, all monies received pursuant to the CEA PPA have been deposited into the MOA Trust, which was established pursuant to Charter Section 13.11(a)(3). Pursuant to Charter 13.11(b)(1), the corpus of the Trust is a protected endowment that returns to general government an annual dividend of not more than 5%. (In 2023, the dividend was reduced to 4%. See AO 2023-68, as amended; AMC 6.50.060C.)

Absent this resolution, the approximately \$2.45 million of funds at issue would be added to the corpus of the MOA Trust and contribute to future general government dividends; as of December 31, 2024, the market value of the Trust was \$433.2 million.

The debt principally at issue in the attached resolution was in existence at the time of the sale and is structurally unique. Unlike most general-government municipal debt, the ACPA Roof Bond debt, on which the Municipality is paying 5% interest, is not supported by taxes, but rather by a surcharge imposed and collected on all adult-admission tickets sold for events at the PAC. The surcharge, initially \$1/ticket, was increased to \$2.50/ticket by AO 2004-93 to support the borrowing, and in 2010, increased to \$3/ticket by AO 2010-040. Applicable code now provides that surcharge revenues are to “fund a reserve to pay off an existing loan and provide a revenue stream for repayment of revenue bonds issued for major renovation and repair of the Alaska Center for the Performing Arts”:

**AMC 10.45.060      Surcharge on adult admission charges, including  
senior citizen admission charges, to events held in  
the Alaska Center for the Performing Arts.**

- A. There is hereby imposed upon every person who pays an adult admission charge, including senior citizen admission charges, to any event held in the Alaska Center for the Performing Arts for which an adult admission ticket is sold, a surcharge of \$3.00 on each ticket to fund a reserve to pay off an existing loan and provide a revenue stream for repayment of revenue bonds issued for major renovation and repair of the Alaska Center for the Performing Arts.

If general obligation debt were retired by ML&P proceeds, taxes supporting the debt would also be eliminated. By contrast, using CEA PPA proceeds to retire the 5% ACPA Roof Bond debt necessitates elimination of a PAC surcharge—and the Administration will recommend amendments to AMC 10.45.060 to allow PAC ticket surcharges to be used for other PAC capital needs. Financially, if the CEA PPA ML&P proceeds at issue were instead deposited into the MOA Trust, the resulting transaction would result in a negative arbitrage to the extent that the MOA Trust can realize investment returns in excess of 5% (which, historically it has); assuming the Trust can make 8% on the \$2.45 million at issue, the magnitude would be approximately \$3,500/year ( $=\$2.4\text{m} \times 3\%$ ).

Here, however, the MOA has no other reasonably available source of funds to address critical PAC facility needs, and those needs, if left unattended, are likely to result in a growing and greater long-term expense—and the economic impact of keeping the PAC in operation is, itself, significant. Thus, to the extent the transaction proposed by this resolution will have a financial cost, it is believed to be both relatively modest and justified by the social and economic returns that will be realized by keeping the PAC in operation

and better repair.

**The Administration Recommends Approval.**

Prepared by:	William D. Falsey, Chief Administrative Officer
Concur:	Ona R. Brause, Director, Office of Management & Budget
Concur:	Philippe D. Brice, Chief Fiscal Officer
Concur:	Eva Gardner, Municipal Attorney
Concur:	Rebecca A. Windt Pearson, Municipal Manager
Respectfully Submitted:	Suzanne LaFrance, Mayor