

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2022-8

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 TWENTY-EIGHT MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$28,350,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF ROAD AND STORM DRAINAGE CAPITAL IMPROVEMENTS IN THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 5, 2022.

Prepared by

K&L GATES LLP

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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.

Requested by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Cynthia M. Weed, Bond
Counsel
K&L GATES LLP
For Reading: January 11, 2022

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2022-8**

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 TWENTY-EIGHT MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$28,350,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF ROAD AND STORM DRAINAGE CAPITAL IMPROVEMENTS IN THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 5, 2022.

WHEREAS, the best interests of the citizens and property owners in the Anchorage Roads and Drainage Service Area serving the Municipality of Anchorage, Alaska (the "Municipality") require the Municipality to acquire, construct, renovate, upgrade and undertake certain road improvements, roadway safety improvements and storm collection drainage and treatment improvements (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 \$28,350,000 (the "Bonds"); now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Purpose. The Assembly of the Municipality hereby determines that the roads and storm drainage within the Anchorage Roads and Drainage Service Area are in need of the Projects. The Assembly hereby determines that the best interests of the residents and property owners within the Anchorage Roads and Drainage Service Area 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 \$28,350,000.

The Projects are described in more detail in the attachment to the Assembly Memorandum accompanying this ordinance. The cost of all necessary planning,

1 acquisition of property, site preparation, construction, installing and equipping of the
2 Projects, architectural, engineering, design, and other consulting services,
3 inspection and testing, administrative expenses, costs of issuance of the Bonds and
4 other costs incurred in connection with the Projects shall be deemed to be costs of
5 the approved Projects. The approved Projects may be completed with all necessary
6 equipment and appurtenances.

7
8 The Municipality shall determine the application of available moneys between
9 the various Projects so as to accomplish, as nearly as may be, all of the Projects
10 described or provided for in this section.

11
12 If the Municipality shall determine that it has become impractical to
13 accomplish any portion of the approved Projects by reason of changed conditions
14 or needs, incompatible development or costs substantially in excess of those
15 estimated, the Municipality shall not be required to accomplish such portions and
16 shall apply Bond proceeds as set forth in this section.

17
18 If the approved Projects have been completed in whole or in part, or their
19 completion duly provided for, or their completion found to be impractical, the
20 Municipality shall apply such remaining proceeds solely to payment of principal or
21 interest on the Bonds, as provided in the Home Rule Charter. In the event that the
22 proceeds of sale of the Bonds, plus any other monies of the Municipality legally
23 available, are insufficient to accomplish the approved Projects, the Municipality shall
24 use the available funds for paying the cost of those portions of the approved Projects
25 deemed by the Municipality most necessary and in the best interest of the
26 Municipality. No Bond proceeds shall be used by the Municipality for any purpose
27 other than a capital improvement of the Municipality.

28
29 For the purpose of providing funds for the undertaking of the Projects, which
30 are hereby found to be a public purpose and in the public interest, the Municipality
31 hereby proposes to issue general obligation bonded indebtedness in an amount not
32 to exceed Twenty-Eight Million Three Hundred Fifty Thousand Dollars
33 (\$28,350,000).

34
35 **Section 2. Details of Bonds.** The Bonds shall be sold in such amounts and at
36 such time or times as deemed necessary and advisable by the Assembly and as
37 permitted by law and shall mature over a period of up to 20 years from date of issue.
38 The Bonds shall be issued in an aggregate principal amount of not to exceed
39 \$28,350,000. The Bonds shall bear interest to be fixed at the time of sale or sales
40 thereof. The exact form, terms, conditions, contents, security, options of
41 redemption, and such other matters relating to the issuance and sale of said Bonds
42 as are deemed necessary and advisable by the Assembly shall be as hereinafter
43 determined and/or delegated by ordinance and/or resolution of the Assembly.

44
45 The full faith and credit of the Municipality is pledged for the payment of the
46 principal of and interest on the Bonds, and ad valorem taxes upon all taxable

1 property in the Municipality shall be levied without limitation as to rate or amount to
2 pay the principal and interest on the Bonds when due. The principal of and interest
3 on the Bonds are to be paid first from ad valorem taxes levied and collected within
4 the Anchorage Roads and Drainage Service Area.

5
6 **Section 3. Ballot Proposition.** The Assembly hereby submits to the qualified
7 voters of the Municipality the proposition of whether or not the Municipality should
8 issue the Bonds for the purpose of financing the costs of the approved Projects at
9 the regular municipal election to be held on April 5, 2022.

10
11 The Clerk shall prepare the ballot proposition to be submitted to the voters
12 as provided by this ordinance and the Municipal Code and shall perform all
13 necessary steps in accordance with law to place this proposition before the voters
14 at the regular election. The proposition must receive a majority vote of those in the
15 Municipality voting, both in the Anchorage Roads and Drainage Service Area and
16 areawide, on the question to be approved. The proposition shall be substantially in
17 the following form:

18
19 PROPOSITION NO. _____

20
21 ANCHORAGE ROADS AND DRAINAGE SERVICE
22 AREA ROAD AND STORM DRAINAGE BONDS

23
24 For the purpose of providing roads and storm drainage
25 capital acquisition, construction, renovation and
26 upgrades in the Anchorage Roads and Drainage Service
27 Area, as provided in AO 2022-___, shall Anchorage
28 borrow money and issue up to \$28,350,000 in principal
29 amount of general obligation bonds and increase the
30 municipal tax cap by an annual amount not to exceed
31 \$73,000 to pay for associated annual operations and
32 maintenance costs?

33
34 Voter approval of this bond proposition authorizes for
35 each \$100,000 of assessed taxable property value
36 (based on the estimated 2022 assessed valuation in the
37 Anchorage Roads and Drainage Service Area): (i) an
38 annual increase in taxes of approximately \$7.26 to retire
39 the proposed bonds, and (ii) an annual increase in the
40 municipal tax cap (Charter 14.03(b)(2)) of approximately
41 \$0.27 to pay for annual operation and maintenance
42 costs related to the proposed capital improvements.
43

The debt shall be paid from real and personal property taxes levied and collected within the Anchorage Roads and Drainage Service Area, without cost to properties in Chugiak, Eagle River, Girdwood and other areas outside the Service Area. The Municipality will also pledge its full faith and credit for payment of the debt.

YES NO

Section 4. 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 5, 2022. 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 _____, 2022.

By _____
Chair of the Assembly

ATTEST:

Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 16-2022

Meeting Date: January 11, 2022

1 **From:** MAYOR

2
3 **Subject:** AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED
4 VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE
5 QUESTION OF THE ISSUANCE OF NOT TO EXCEED TWENTY-EIGHT
6 MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$28,350,000) OF
7 GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE
8 TO PAY THE COSTS OF ROAD AND STORM DRAINAGE CAPITAL
9 IMPROVEMENTS IN THE ANCHORAGE ROADS AND DRAINAGE SERVICE
10 AREA, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP
11 LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE
12 COSTS IN THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA, AT
13 THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 5, 2022.
14

15 The attached ordinance will place a general obligation bond proposition for the Anchorage Roads
16 and Drainage Service Area (ARDSA) on the ballot for the regular Municipal election to be held on
17 April 5, 2022.

18
19 The Administration recommends scheduling a public hearing for this bond ordinance on
20 January 25, 2022.

21
22 The ARDSA bond proposal will implement the priorities established in the recently approved
23 2022-2027 Capital Improvement Program. Please see the attached Project List, attached as
24 Exhibit A.

25
26 THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE.

27
28 Prepared by: Ross Risvold, Public Finance & Investments Manager

29 Approved: Travis C. Frisk, CFO

30 Concur: Patrick Bergt, Municipal Attorney

31 Concur: Cheryl Frasca, Director

32 Office of Management & Budget

33 Concur: Amy Demboski, Municipal Manager

34 Respectfully submitted: Dave Bronson, Mayor

35 AM 2022 ARDSA Prop.doc

EXHIBIT A

Anchorage Road and Drainage Service Area 2022 Bond Project List (000)'s

<u>Project</u>	<u>Amount*</u>	<u>O&M</u>
AMATS: Dr. Martin Luther King Jr. Ave Extension	\$ 100	-
AMATS: Spenard Rd Rehabilitation - Benson Blvd to Minnesota Dr	400	-
100th Ave Surface Rehab - Victor Rd to Minnesota Dr	500	-
36th Ave Resurfacing Phase II - Latouche St to Lake Otis Pkwy	500	-
42nd Ave Upgrade - Lake Otis Pkwy to Florina St	2,000	-
Abbott Rd Surface Rehab - 88th Ave to Lake Otis Pkwy	500	-
Airguard Rd Improvements Phase I	300	-
ARDSA Alley Paving	300	-
Crawford St/Terry St Area Resurfacing Phase II	400	-
Dimond D Cir Curb and Resurfacing	200	-
Dowling Rd Surface Rehab - Lake Otis Pkwy to Elmore Rd	500	-
Image Dr/Reflection Dr. Area Road Reconstruction Phase II	2,900	-
Intersection Resurfacing	150	-
Pavement and Subbase Rehabilitation	1,000	\$ 5
Road and Storm Drain Improvements Annual Program	1,000	7
Zodiac Manor Subd Area Surface Rehab Phase IV	200	-
ADA Improvements	500	2
Alaska Railroad Crossing Rehabs	500	-
ARDSA Sound Barrier/Retaining Wall Replacement	250	-
ARDSA Street Light Improvements	500	-
Downtown Lighting and Signals Upgrades	3,000	-
Pedestrian Safety and Rehab Annual Program	500	7
2nd Ave/Nelchina St Area Storm Drain Improvements Phase II	2,100	-
Campbell Woods Subd Area Road and Drainage Improvements	3,500	-
Camrose Dr. Area Storm Drain Improvements	1,000	-
Flooding, Glaciation, and Drainage Annual Program	750	5
Lakehurst Dr. Area Drainage Improvements Phase V	200	2
Low Impact Development Annual Program	250	10
Maudest Pl Drainage and Surface Rehab	350	-
Old Seward Hwy/Int'l Airport Rd Area Storm Reconstruction	2,500	-
Storm Drain Condition Assessment and Rehabilitation Program	500	-
Anchorage Signal System, Signage, and Safety Improvements	500	5
Traffic Calming and Safety Improvements	500	30
Total	\$28,350	\$73

* Bond proceeds for project amounts may be allocated and reallocated between the projects listed above.

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects General Government

AO Number: 2022 -8

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 TWENTY-EIGHT MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$28,350,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF ROAD AND STORM DRAINAGE CAPITAL IMPROVEMENTS IN THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE ROADS AND DRAINAGE SERVICE AREA, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 5, 2022.

Sponsor: Mayor

Preparing Agency: Public Finance Division

Others Impacted: ARDSA

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY22	FY23	FY24	FY25	FY26
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	--	73.0	73.0	73.0	73.0
4000 Debt Service	--	1,946.6	1,946.6	1,946.6	1,946.6
5000 Capital Outlay					
TOTAL DIRECT COSTS:	--	2,019.6	2,019.6	2,019.6	2,019.6

ADD: 6000 Charge from Others

 FUNCTION COST:

REVENUES:

CAPITAL:

POSITIONS: FT/PT and Temp.

PUBLIC SECTOR ECONOMIC EFFECTS:

Estimated annual debt service of \$1,946,594 assumes bonds are sold as a single bond issue with an interest rate of 3.23% 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 \$73,000.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately \$1,946,594 equate to an estimated property tax increase of 0.0726 mills or \$7.26 per year on \$100,000 of assessed valuation in the ARDSA.

When fully operational, increased annual operations and maintenance costs are estimated at \$73,000 and equate to an estimated property tax increase of 0.0027 mills or \$0.27 per year on \$100,000 of assessed valuation in the ARDSA and an increase in the Municipal tax cap limitation.

The total private sector economic effect would therefore be a total of \$7.53 per \$100,000 of assessed valuation in the ARDSA.



**MUNICIPALITY OF ANCHORAGE
ASSEMBLY INFORMATION MEMORANDUM**

No. AIM 5-2022

Meeting Date: January 11, 2022

1 **From: Members Quinn-Davidson and Perez-Verdia**

2
3 **Subject: SPENARD COMMUNITY COUNCIL RESOLUTION FOR SPENARD**
4 **CAPITAL IMPROVEMENT ADDITIONS IN THE 2022 PUBLIC**
5 **WORKS BOND**

6
7 Please see the attached resolution from the Spenard Community Council for your
8 review and information.

9
10 Prepared by: Jenna Brister, Executive Administrative Assistant

11 Approved by: Jennifer Veneklasen, Deputy Clerk

12 Respectfully submitted: Assembly Members Austin Quinn-Davidson and
13 Kameron Perez-Verdia

Spenard Community Council Resolution

2022-01

A Resolution for Spenard Capital Improvement Additions in the 2022 Public Works Bond

WHEREAS, the Spenard Community Council (“SCC”) is an organization representing the interests of the residents of the Spenard area of Anchorage; and

WHEREAS, a function of all community councils in municipal code is to “Advise the assembly of the community council’s annual priority list of capital improvement projects by filing with the municipal clerk within the timeframe established by the administration, a copy of the list as submitted to the administration” (2.40.050 Functions); and

WHEREAS, the SCC adopted its Capital Improvement Project (CIP) priority list for 2022 including “Fish Creek Daylighting” and the “Lois Dr/32nd Ave Pathway” as community priorities to improve safety and quality of life; and

WHEREAS, the Midtown Community Council adopted its 2022 CIP priority list to include the “W 32nd/E 33rd Avenue Upgrade” project, which began construction in 2021 for Phase 1 of the project at “W 30th Avenue/North Star Street Improvements” located within Spenard; and

WHEREAS, the the *Anchorage 2040 Land Use Plan*, the *Spenard Corridor Plan*, and the *AMATS Non-Motorized Plan* identify goals around improving safety for all modes of transportation along transit-supportive development corridors; and

WHEREAS, the *Spenard Corridor Plan* identifies Lois Dr., 32nd/33rd Avenues as active transportation corridors and the Fish Creek corridor as a future active transportation corridor; and

WHEREAS, the mayor of the Municipality of Anchorage introduced a 2022 Capital Improvement Budget, which, when approved by the assembly, is then used to create the 2022 local bond package to be approved by voters; and

NOW THEREFORE BE IT RESOLVED THAT the Spenard Community Council advocates for the addition of the following capital improvement projects for the 2022 bond for voters to consider in April 2022:

- Fish Creek Daylighting: \$320,000 for a feasibility study
- Lois Dr/32nd Ave Pathway: \$2,000,000 for design, utilities, and right-of-way
- W 32nd/E 33rd Avenue Upgrade: \$1,000,000 for design, utilities, and right-of-way

Resolved, this 5 day of January 2022.



Spenard Community Council President

1/5/22

Date

Vote: 14 in favor, and 4 opposed.