



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM ____-2022

Meeting Date: January 11, 2022

1 **From:** MUNICIPAL ASSEMBLY

2
3 **Subject:** AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE
4 QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE,
5 ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED
6 THREE MILLION EIGHT HUNDRED SEVENTY-FIVE THOUSAND
7 DOLLARS (\$3,875,000) [~~TWO MILLION THREE HUNDRED THOUSAND~~
8 ~~DOLLARS (\$2,300,000)~~] OF GENERAL OBLIGATION BONDS OF THE
9 MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF
10 CONSTRUCTING, RENOVATING AND EQUIPPING PARK, TRAIL AND
11 RECREATIONAL FACILITIES CAPITAL IMPROVEMENTS IN THE
12 ANCHORAGE PARKS AND RECREATION SERVICE AREA, AND THE
13 QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP
14 LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE
15 COSTS IN THE ANCHORAGE PARKS AND RECREATION SERVICE
16 AREA, WITHOUT COST TO CHUGIAK, EAGLE RIVER, GIRDWOOD AND
17 OTHER TAXPAYERS OUTSIDE THE SERVICE AREA, AT THE
18 ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 5, 2022.

19
20 The attached Ordinance No. 2022-9(S) will place a general obligation bond proposition for
21 the Anchorage Parks and Recreation Service Area on the ballot for the Municipal election
22 to be held on April 5, 2022. This substitute version of the original ordinance increases the
23 dollar amount of the proposition from \$2,300,000 to \$3,875,000.

24
25 The Assembly will hold a public hearing for this bond ordinance on January 25, 2022.

26
27 The Anchorage Parks and Recreation Service Area bond proposal will implement the
28 priorities established in the recently approved 2022-2027 Capital Improvement Program.
29 Please see the attached Project List, attached as Exhibit A-revised.

30
31 Prepared by: Municipal Assembly

EXHIBIT A-revised

**Anchorage Parks and Recreation Service Area
2022 Bond Project List
(000)'s**

<u>Project</u>	<u>Amount*</u>	<u>O&M</u>
Chester Creek Complex Facility Safety, Security and ADA Upgrades	\$ 400	\$ 20
Facility Safety Upgrades	100	5
Pamela Joy Lowry Memorial Park	200	10
Playground Development - All-Inclusive	600	30
Ure Park Improvements	200	10
Campbell Creek Trail Rehabilitation and Way Finding	600	30
Fish Creek Trail to the Ocean	150	7
Tony Knowles Coastal Trail to Ship Creek Trail Connection	50	-
<u>Athletic Field Safety Improvements</u>	<u>250</u>	<u>12</u>
<u>Government Hill Community-wide Park Plan and Improvements</u>	<u>300</u>	<u>15</u>
<u>East Chester Park</u>	<u>325</u>	<u>16</u>
<u>Chanshtnu Muldoon Park, Phase II</u>	<u>200</u>	<u>10</u>
<u>Russian Jack Springs Park and ADA Improvements</u>	<u>500</u>	<u>25</u>
Total	<u>\$3,875</u> [\$2,300]	<u>\$190</u> [\$112]

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

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects (A) - General Government

AO Number: 2022-9(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 **THREE MILLION EIGHT HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$3,875,000)** [~~TWO MILLION THREE HUNDRED THOUSAND DOLLARS (\$2,300,000)~~] OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF CONSTRUCTING, RENOVATING AND EQUIPPING PARK, TRAIL AND RECREATIONAL FACILITIES CAPITAL IMPROVEMENTS IN THE ANCHORAGE PARKS AND RECREATION SERVICE AREA, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE PARKS AND RECREATION SERVICE AREA, WITHOUT COST TO CHUGIAK, EAGLE RIVER, GIRDWOOD AND OTHER TAXPAYERS OUTSIDE THE SERVICE AREA, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 5, 2022.

Sponsor: Municipal Assembly
 Preparing Agency: Finance
 Others Impacted: Parks & Recreation Department

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY22	FY23	FY24	FY25	FY26
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	--	<u>190.0</u> [412.0]	<u>190.0</u> [412.0]	<u>190.0</u> [412.0]	<u>190.0</u> [412.0]
4000 Debt Service	--	<u>266.1</u> [457.9]	<u>266.1</u> [457.9]	<u>266.1</u> [457.9]	<u>266.1</u> [457.9]
5000 Capital Outlay					
TOTAL DIRECT COSTS:	--	<u>456.1</u> [269.9]	<u>456.1</u> [269.9]	<u>456.1</u> [269.9]	<u>456.1</u> [269.9]

ADD: 6000 Charge from Others

FUNCTION COST:

REVENUES:

CAPITAL:

POSITIONS: FT/PT and Temp.

PUBLIC SECTOR ECONOMIC EFFECTS:

Estimated annual debt service of **\$266,069** [~~\$157,925~~] 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 **\$190,000** [~~\$112,000~~].

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately **\$266,069** [~~\$157,925~~] equate to an estimated property tax increase of **0.0090** [~~0.0053~~] mills or **\$0.90** [~~\$0.53~~] per year on \$100,000 of assessed valuation in the Anchorage Parks and Recreation Service Area.

When fully operational, increased annual operations and maintenance costs are estimated at **\$190,000** [~~\$112,000~~] and equate to an estimated property tax increase of **0.0064** [~~0.0038~~] mills or **\$0.64** [~~\$0.38~~] per year on \$100,000 of assessed valuation in the Anchorage Parks and Recreation Service Area and an increase in the Municipal tax cap limitation.

The total private sector economic effect would therefore be a total of **\$1.54** [~~\$0.94~~] per \$100,000 of assessed valuation in the Anchorage Parks and Recreation Service Area.

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MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2022-9(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 THREE MILLION EIGHT HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$3,875,000) [~~TWO MILLION THREE HUNDRED THOUSAND DOLLARS (\$2,300,000)~~] OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF CONSTRUCTING, RENOVATING AND EQUIPPING PARK, TRAIL AND RECREATIONAL FACILITIES CAPITAL IMPROVEMENTS IN THE ANCHORAGE PARKS AND RECREATION SERVICE AREA, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE PARKS AND RECREATION SERVICE AREA, WITHOUT COST TO CHUGIAK, EAGLE RIVER, GIRDWOOD AND OTHER TAXPAYERS OUTSIDE THE SERVICE AREA, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 5, 2022.

Prepared by

K&L GATES LLP

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2022-9(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.

LAID-ON-THE-TABLE

Requested by: Chair of the Assembly at
the Request of Austin
Quinn-Davidson and
Forrest Dunbar, Assembly
Members
Prepared by: Cynthia M. Weed, Bond
Counsel
K&L GATES LLP
(S) version: Assembly Counsel's Office
For Reading: January 11, 2022

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2022-9(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 THREE MILLION EIGHT HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$3,875,000) [~~TWO MILLION THREE HUNDRED THOUSAND DOLLARS (\$2,300,000)~~] OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF CONSTRUCTING, RENOVATING AND EQUIPPING PARK, TRAIL AND RECREATIONAL FACILITIES CAPITAL IMPROVEMENTS IN THE ANCHORAGE PARKS AND RECREATION SERVICE AREA, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE ANCHORAGE PARKS AND RECREATION SERVICE AREA, WITHOUT COST TO CHUGIAK, EAGLE RIVER, GIRDWOOD AND OTHER TAXPAYERS OUTSIDE THE SERVICE AREA, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 5, 2022.

WHEREAS, the best interest of the citizens and property owners in the Anchorage Parks and Recreation Service Area serving the Municipality of Anchorage, Alaska (the "Municipality") require the Municipality to construct, renovate and equip various park and trail improvements, recreational and athletic facilities (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 \$3,875,000 [~~\$2,300,000~~] (the "Bonds"); now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Purpose. The Assembly hereby determines that the parks, trails and athletic and recreation facilities within the Anchorage Parks and Recreation Service Area are in need of construction, renovation and equipping of the Projects.

1 The Assembly of the Municipality hereby determines that the best interest of the
2 residents and property owners within the Anchorage Parks and Recreation Service
3 Area require the Municipality to undertake the Projects at the time and in the order
4 and in the manner deemed most necessary and advisable by the Municipality.
5 The estimated cost of the Projects, including incidental costs and costs related to
6 issuing and selling the Bonds as provided in this ordinance, is estimated to be
7 **\$3,875,000** [~~\$2,300,000~~].
8

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

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

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

28 If the approved Projects have been completed in whole or in part, or their
29 completion duly provided for, or their completion found to be impractical, the
30 Municipality shall apply such remaining proceeds solely to payment of principal or
31 interest on the Bonds, as provided in the Home Rule Charter. In the event that the
32 proceeds of sale of the Bonds, plus any other monies of the Municipality legally
33 available, are insufficient to accomplish the approved Projects, the Municipality
34 shall use the available funds for paying the cost of those portions of the approved
35 Projects deemed by the Municipality most necessary and in the best interest of the
36 Municipality. No Bond proceeds shall be used by the Municipality for any purpose
37 other than a capital improvement of the Municipality.
38

39 For the purpose of providing funds for the undertaking of the Projects, which
40 are hereby found to be a public purpose and in the public interest, the Municipality
41 hereby proposes to issue general obligation bonded indebtedness in an amount
42 not to exceed **Three Million Eight Hundred Seventy-Five Thousand Dollars**
43 **(\$3,875,000)** [~~Two Million Three Hundred Thousand Dollars (\$2,300,000)~~].
44

45 **Section 2.** **Details of Bonds.** The Bonds shall be sold in such amounts and at
46 such time or times as deemed necessary and advisable by the Assembly and as

1 permitted by law and shall mature over a period of up to 20 years from date of
 2 issue. The Bonds shall be issued in an aggregate principal amount of not to
 3 exceed **\$3,875,000** [~~\$2,300,000~~]. The Bonds shall bear interest to be fixed at the
 4 time of sale or sales thereof. The exact form, terms, conditions, contents, security,
 5 options of redemption, and such other matters relating to the issuance and sale of
 6 said Bonds as are deemed necessary and advisable by the Assembly shall be as
 7 hereinafter determined and/or delegated by ordinance and/or resolution of the
 8 Assembly.

9
 10 The full faith and credit of the Municipality is pledged for the payment of the
 11 principal of and interest on the Bonds, and ad valorem taxes upon all taxable
 12 property in the Municipality shall be levied without limitation as to rate or amount to
 13 pay the principal and interest on the Bonds when due. The principal of and
 14 interest on the Bonds are to be paid first from ad valorem taxes levied and
 15 collected within the Anchorage Parks and Recreation Service Area.

16
 17 **Section 3.** **Ballot Proposition.** The Assembly hereby submits to the qualified
 18 voters of the Municipality the proposition of whether or not the Municipality should
 19 issue the Bonds for the purpose of financing the costs of the approved Projects at
 20 the regular municipal election to be held on April 5, 2022.

21
 22 The Clerk shall prepare the ballot proposition to be submitted to the voters
 23 as provided by this ordinance and the Municipal Code and shall perform all
 24 necessary steps in accordance with law to place this proposition before the voters
 25 at the regular election. The proposition must receive a majority vote of those in
 26 the Municipality voting, both in the Anchorage Parks and Recreation Service Area
 27 and areawide, on the question to be approved. The proposition shall be
 28 substantially in the following form:

29
 30 PROPOSITION NO. ____

31
 32 ANCHORAGE PARKS AND RECREATION
 33 SERVICE AREA CAPITAL IMPROVEMENT BONDS

34
 35 For the purpose of renovating and rehabilitating trails
 36 and parks, and making playground, athletic field,
 37 safety, ADA and park improvements at various parks
 38 and recreational facilities in the Anchorage Parks and
 39 Recreation Service Area, as provided in AO 2022-9(S),
 40 shall Anchorage borrow money and issue up to
 41 **\$3,875,000** [~~\$2,300,000~~] in principal amount of general
 42 obligation bonds and increase the municipal tax cap by
 43 an annual amount not to exceed **\$190,000** [~~\$112,000~~]
 44 to pay for associated annual operations and
 45 maintenance costs?
 46

1 Voter approval of this bond proposition authorizes for
 2 each \$100,000 of assessed taxable property value
 3 (based on the estimated 2022 assessed valuation in
 4 the Anchorage Parks and Recreation Service Area):
 5 (i) an annual increase in taxes of approximately **\$0.90**
 6 **[\$0.53]** to retire the proposed bonds, and (ii) an annual
 7 increase in the municipal tax cap (Charter 14.03(b)(2))
 8 of approximately **\$0.64** **[\$0.38]** to pay for annual
 9 operation and maintenance costs related to the
 10 proposed capital improvements.

11
 12 The debt shall be paid from real and personal property
 13 taxes levied and collected within the Anchorage Parks
 14 and Recreation Service Area, without cost to properties
 15 in Chugiak, Eagle River, Girdwood, and other areas
 16 outside the Service Area. The Municipality will also
 17 pledge its full faith and credit for payment of the bonds.

18
 19 YES NO
 20
 21

22 **Section 4. The deadline contained in Anchorage Municipal Code section**
 23 **28.20.015A. is hereby waived for this ordinance.**

24
 25 **Section 5[4]. Effective Dates.** Section 2 of this ordinance shall become effective
 26 only if the proposition described in Section 3 is approved by a majority of the
 27 qualified voters voting on the proposition at the regular election held on April 5,
 28 2022. The remaining sections of this ordinance shall become effective upon
 29 passage and approval by the Assembly.

30
 31 PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this
 32 ___ day of _____, 2022.

33
 34
 35 By _____
 36 Chair of the Assembly

37
 38 ATTEST:

39
 40
 41 _____
 42 Municipal Clerk