



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM ____-2022

Meeting Date: January 11, 2022

From: MUNICIPAL ASSEMBLY

Subject: 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 THIRTY-EIGHT MILLION ONE HUNDRED SEVENTY THOUSAND DOLLARS (\$38,170,000) [~~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 AND AMENDING THE 2022 GENERAL GOVERNMENT CAPITAL IMPROVEMENT BUDGET (CIB).

The attached Ordinance No. 2022-8(S) will place a general obligation bond proposition for the Anchorage Roads and Drainage Service Area (ARDSA) on the ballot for the Municipal election to be held on April 5, 2022. This substitute version of the original ordinance increases the dollar amount of the proposition from \$28,350,000 to \$38,170,000.

The 2022 General Government CIB, approved by passage of AO 2021-97 as Amended, will be amended as follows with passage of the attached ordinance:

*The following project is added to the 2022 CIB:

<u>Project</u>	<u>Amount</u>	<u>O&M</u>
*Fish Creek Feasibility and Economic Study	\$320,000	--

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

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

Prepared by: Municipal Assembly

EXHIBIT A-revised

**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
<u>E 20th Ave Pedestrian Improvements – Tikishla Park to Braqaw St</u>	<u>3,800</u>	<u>:</u>
<u>Lore Rd Surface Rehab and Traffic Calming – Brayton Dr to Lake Otis Pkwy</u>	<u>1,000</u>	<u>:</u>
<u>64th Ave and Meadow St Area Drainage Improvements</u>	<u>500</u>	<u>:</u>
<u>48th Ave/Cordova St Reconstruction Old Seward Hwy to International Airport Rd</u>	<u>1,200</u>	<u>:</u>
<u>Lois Dr/32nd Ave Upgrade – Benson Blvd to 32nd Ave to Minnesota Dr</u>	<u>2,000</u>	<u>:</u>
<u>W 32nd and E 33rd Ave Upgrades – Spenard Rd to Old Seward Hwy</u>	<u>1,000</u>	<u>:</u>
<u>Fish Creek Feasibility and Economic Study</u>	<u>320</u>	<u>:</u>
Total	<u>\$38,170</u> <u>\$28,350</u>	<u>\$73</u>

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

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2022-8(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 THIRTY-EIGHT MILLION ONE HUNDRED SEVENTY THOUSAND DOLLARS (\$38,170,000) [~~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 AND AMENDING THE 2022 GENERAL GOVERNMENT CAPITAL IMPROVEMENT BUDGET (CIB).

Prepared by

K&L GATES LLP

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

LAI-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. 2022-8(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 THIRTY-EIGHT MILLION ONE HUNDRED SEVENTY THOUSAND DOLLARS (\$38,170,000) [~~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 AND AMENDING THE 2022 GENERAL GOVERNMENT CAPITAL IMPROVEMENT BUDGET (CIB).

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 \$38,170,000 [~~\$28,350,000~~] (the "Bonds"); **and**

WHEREAS, in accordance with Anchorage Municipal Code section 6.10.045, the Assembly may alter the general governmental capital improvement budget (CIB) by majority vote; and

WHEREAS, on November 23, 2021, the 2022 General Governmental CIB was approved by passage of AO 2021-97 as Amended; now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

1
2 **Section 1. Purpose.** The Assembly of the Municipality hereby determines that
3 the roads and storm drainage within the Anchorage Roads and Drainage Service
4 Area are in need of the Projects. The Assembly hereby determines that the best
5 interests of the residents and property owners within the Anchorage Roads and
6 Drainage Service Area require the Municipality to undertake the Projects at the time
7 and in the order and in the manner deemed most necessary and advisable by the
8 Municipality. The estimated cost of the Projects, including incidental costs and costs
9 related to issuing and selling the Bonds as provided in this ordinance, is estimated
10 to be **\$38,170,000** [~~\$28,350,000~~].
11

12 The Projects are described in more detail in the attachment to the Assembly
13 Memorandum accompanying this ordinance. The cost of all necessary planning,
14 acquisition of property, site preparation, construction, installing and equipping of the
15 Projects, architectural, engineering, design, and other consulting services,
16 inspection and testing, administrative expenses, costs of issuance of the Bonds and
17 other costs incurred in connection with the Projects shall be deemed to be costs of
18 the approved Projects. The approved Projects may be completed with all necessary
19 equipment and appurtenances.
20

21 The Municipality shall determine the application of available moneys between
22 the various Projects so as to accomplish, as nearly as may be, all of the Projects
23 described or provided for in this section.
24

25 If the Municipality shall determine that it has become impractical to
26 accomplish any portion of the approved Projects by reason of changed conditions
27 or needs, incompatible development or costs substantially in excess of those
28 estimated, the Municipality shall not be required to accomplish such portions and
29 shall apply Bond proceeds as set forth in this section.
30

31 If the approved Projects have been completed in whole or in part, or their
32 completion duly provided for, or their completion found to be impractical, the
33 Municipality shall apply such remaining proceeds solely to payment of principal or
34 interest on the Bonds, as provided in the Home Rule Charter. In the event that the
35 proceeds of sale of the Bonds, plus any other monies of the Municipality legally
36 available, are insufficient to accomplish the approved Projects, the Municipality shall
37 use the available funds for paying the cost of those portions of the approved Projects
38 deemed by the Municipality most necessary and in the best interest of the
39 Municipality. No Bond proceeds shall be used by the Municipality for any purpose
40 other than a capital improvement of the Municipality.
41

42 For the purpose of providing funds for the undertaking of the Projects, which
43 are hereby found to be a public purpose and in the public interest, the Municipality
44 hereby proposes to issue general obligation bonded indebtedness in an amount not
45 to exceed **Thirty-Eight Million One Hundred Seventy Thousand Dollars**

1 ~~(\$38,170,000) [Twenty-Eight Million Three Hundred Fifty Thousand Dollars~~
 2 ~~(\$28,350,000)].~~

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 ~~\$38,170,000~~ ~~[\$28,350,000]~~. The Bonds shall bear interest to be fixed at the time of
 9 sale or sales thereof. The exact form, terms, conditions, contents, security, options
 10 of redemption, and such other matters relating to the issuance and sale of said
 11 Bonds as are deemed necessary and advisable by the Assembly shall be as
 12 hereinafter determined and/or delegated by ordinance and/or resolution of the
 13 Assembly.
 14

15 The full faith and credit of the Municipality is pledged for the payment of the
 16 principal of and interest on the Bonds, and ad valorem taxes upon all taxable
 17 property in the Municipality shall be levied without limitation as to rate or amount to
 18 pay the principal and interest on the Bonds when due. The principal of and interest
 19 on the Bonds are to be paid first from ad valorem taxes levied and collected within
 20 the Anchorage Roads and Drainage Service Area.
 21

22 **Section 3.** Ballot Proposition. The Assembly hereby submits to the qualified
 23 voters of the Municipality the proposition of whether or not the Municipality should
 24 issue the Bonds for the purpose of financing the costs of the approved Projects at
 25 the regular municipal election to be held on April 5, 2022.
 26

27 The Clerk shall prepare the ballot proposition to be submitted to the voters
 28 as provided by this ordinance and the Municipal Code and shall perform all
 29 necessary steps in accordance with law to place this proposition before the voters
 30 at the regular election. The proposition must receive a majority vote of those in the
 31 Municipality voting, both in the Anchorage Roads and Drainage Service Area and
 32 areawide, on the question to be approved. The proposition shall be substantially in
 33 the following form:
 34

35 PROPOSITION NO. _____

36 ANCHORAGE ROADS AND DRAINAGE SERVICE
 37 AREA ROAD AND STORM DRAINAGE BONDS

38 For the purpose of providing roads and storm drainage
 39 capital acquisition, construction, renovation and
 40 upgrades in the Anchorage Roads and Drainage Service
 41 Area, as provided in AO 2022-8(S), shall Anchorage
 42 borrow money and issue up to ~~\$38,170,000~~
 43 ~~[\$28,350,000]~~ in principal amount of general obligation
 44 bonds and increase the municipal tax cap by an annual
 45
 46

amount not to exceed \$73,000 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 2022 assessed valuation in the Anchorage Roads and Drainage Service Area): (i) an annual increase in taxes of approximately **\$9.77** [~~\$7.26~~] to retire the proposed bonds, and (ii) an annual increase in the municipal tax cap (Charter 14.03(b)(2)) of approximately \$0.27 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 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. 2022 General Government CIB. The 2022 General Government CIB is hereby revised to include the changes as identified in the accompanying Assembly Memorandum and Exhibit A-revised.

Section 5. The deadline contained in Anchorage Municipal Code section 28.20.015A. is hereby waived for this ordinance.

Section 6 [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.

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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
Summary of Economic Effects (A) - General Government

AO Number: 2022-8(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 THIRTY-EIGHT MILLION ONE HUNDRED SEVENTY THOUSAND DOLLARS (\$38,170,000) [~~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 AND AMENDING THE 2022 GENERAL GOVERNMENT CAPITAL IMPROVEMENT BUDGET (CIB).

Sponsor: Municipal Assembly
 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	--	<u>2,620.9</u>	<u>2,620.9</u>	<u>2,620.9</u>	<u>2,620.9</u>
		[1,946.6]	[1,946.6]	[1,946.6]	[1,946.6]
5000 Capital Outlay					
TOTAL DIRECT COSTS:	--	<u>2,693.9</u>	<u>2,693.9</u>	<u>2,693.9</u>	<u>2,693.9</u>
		[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 \$2,620,864 [~~\$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 \$2,620,864 [~~\$1,946,594~~] equate to an estimated property tax increase of 0.0977 [~~0.0726~~] mills or \$9.77 [~~\$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 \$10.04 [~~\$7.53~~] per \$100,000 of assessed valuation in the ARDSA.