

Municipal Clerk's Office

Approved

Date: **January 21, 2025**

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 7, 2025

**MUNICIPALITY OF ANCHORAGE
AO No. 2025-10**

1 AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED
2 VOTERS OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION
3 OF THE ISSUANCE OF NOT TO EXCEED EIGHT MILLION TWO HUNDRED
4 FIFTY THOUSAND DOLLARS (\$8,250,000) OF GENERAL OBLIGATION
5 BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF
6 CONSTRUCTING, RENOVATING AND EQUIPPING PARK, TRAIL AND
7 RECREATIONAL FACILITIES CAPITAL IMPROVEMENTS IN THE
8 ANCHORAGE PARKS AND RECREATION SERVICE AREA, AND THE
9 QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO
10 PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE
11 ANCHORAGE PARKS AND RECREATION SERVICE AREA, WITHOUT COST
12 TO CHUGIAK, EAGLE RIVER, GIRDWOOD AND OTHER TAXPAYERS
13 OUTSIDE THE SERVICE AREA, AT THE ELECTION TO BE HELD IN THE
14 MUNICIPALITY ON APRIL 1, 2025.

15
16 **WHEREAS**, the best interest of the citizens and property owners in the Anchorage
17 Parks and Recreation Service Area serving the Municipality of Anchorage, Alaska
18 (the "Municipality") require the Municipality to construct, renovate and equip various
19 park, trail, and facilities improvements (the "Projects"); and,

20
21 **WHEREAS**, in order to provide financing for the Projects, it is deemed necessary
22 and advisable that the Municipality issue and sell its general obligation bonds in the
23 principal amount of not to exceed \$8,250,000 (the "Bonds"); now, therefore,

24
25 **THE ANCHORAGE ASSEMBLY ORDAINS:**

26
27 **Section 1. Purpose.** The Assembly hereby determines that the parks, trails, and
28 facilities within the Anchorage Parks and Recreation Service Area are in need of
29 construction, renovation and equipping of the Projects. The Assembly of the
30 Municipality hereby determines that the best interest of the residents and property
31 owners within the Anchorage Parks and Recreation Service Area require the
32 Municipality to undertake the Projects at the time and in the order and in the manner
33 deemed most necessary and advisable by the Municipality. The estimated cost of
34 the Projects, including incidental costs and costs related to issuing and selling the
35 Bonds as provided in this ordinance, is estimated to be \$8,250,000.

36
37 The Projects are described in more detail in the attachment to the Assembly
38 Memorandum accompanying this ordinance. The cost of all necessary planning,
39 acquisition of property, site preparation, construction, installing and equipping of the
40 Projects, architectural, engineering, design, and other consulting services,

1 inspection and testing, administrative expenses, costs of issuance of the Bonds and
2 other costs incurred in connection with the Projects shall be deemed to be costs of
3 the approved Projects. The approved Projects may be completed with all necessary
4 equipment and appurtenances.

5
6 The Municipality shall determine the application of available moneys between
7 the various Projects so as to accomplish, as nearly as may be, all of the Projects
8 described or provided for in this section.

9
10 If the Municipality shall determine that it has become impractical to accomplish
11 any portion of the approved Projects by reason of changed conditions or needs,
12 incompatible development or costs substantially in excess of those estimated, the
13 Municipality shall not be required to accomplish such portions and shall apply Bond
14 proceeds as set forth in this section.

15
16 If the approved Projects have been completed in whole or in part, or their
17 completion duly provided for, or their completion found to be impractical, the
18 Municipality may apply Bond proceeds or any portion thereof to other Municipality
19 capital improvements within the Anchorage Parks and Recreation Service Area at
20 its sole discretion. Otherwise, the Municipality shall apply such remaining proceeds
21 solely to payment of principal or interest on the Bonds, as provided in the Home
22 Rule Charter. In the event that the proceeds of sale of the Bonds, plus any other
23 monies of the Municipality legally available, are insufficient to accomplish the
24 approved Projects, the Municipality shall use the available funds for paying the cost
25 of those portions of the approved Projects deemed by the Municipality most
26 necessary and in the best interest of the Municipality. No Bond proceeds shall be
27 used by the Municipality for any purpose other than a capital improvement of the
28 Municipality.

29
30 For the purpose of providing funds for the undertaking of the Projects, which
31 are hereby found to be a public purpose and in the public interest, the Municipality
32 hereby proposes to issue general obligation bonded indebtedness in an amount not
33 to exceed Eight Million Two Hundred Fifty Thousand Dollars (\$8,250,000).

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 \$8,250,000. 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 Parks and Recreation 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 1, 2025.

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 Parks and Recreation 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 PARKS AND RECREATION
 22 SERVICE AREA CAPITAL IMPROVEMENT BONDS

23
 24 For the purpose of renovating and rehabilitating trails
 25 and parks, and making improvements at various parks
 26 and recreational facilities in the Anchorage Parks and
 27 Recreation Service Area, as provided in AO 2025-___,
 28 shall Anchorage borrow money and issue up to
 29 \$8,250,000 in principal amount of general obligation
 30 bonds and increase the municipal tax cap by an annual
 31 amount not to exceed \$245,000 to pay for associated
 32 annual operations and 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 2025 assessed valuation in the
 37 Anchorage Parks and Recreation Service Area): (i) an
 38 annual increase in taxes of approximately \$1.73 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 \$0.71 to pay for annual operation and maintenance
 42 costs related to the proposed capital improvements.

43
 44 The debt shall be paid from real and personal property
 45 taxes levied and collected within the Anchorage Parks
 46 and Recreation 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 bonds.

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 1, 2025. 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 21st day of January, 2025.

Christopher Constant

Chair

ATTEST:

Jenii Stum

Municipal Clerk

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MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 55 - 2025

Meeting Date: January 7, 2025

FROM: MAYOR

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 EIGHT MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$8,250,000) 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 1, 2025.

The attached ordinance will place a general obligation bond proposition for the Anchorage Parks and Recreation Service Area on the ballot for the Municipal election to be held on April 1, 2025.

The Administration recommends scheduling a public hearing for this bond ordinance on January 21, 2025.

The Anchorage Parks and Recreation Service Area bond proposal will implement the priorities established in the 2025-2030 Capital Improvement Program. Please see the attached Project List, attached as Exhibit A.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE.

Prepared by:	Ross Risvold, Public Finance & Investments Manager
Approved:	Philippe D. Brice, CFO
Approved:	William D. Falsey, Chief Administrative Officer
Concur:	Eva R. Gardner, Municipal Attorney
Concur:	Ona R. Brause, OMB Director
Concur:	William D. Falsey, Chief Administrative Officer
Concur:	Rebecca A. Windt Pearson, Municipal Manager
Respectfully submitted:	Suzanne LaFrance, Mayor

EXHIBIT A

**Anchorage Parks and Recreation Service Area
2025 Bond Project List
(000)'s**

<u>Project</u>	<u>Amount</u>	<u>O&M</u>
Centennial Campground Improvements	\$ 500	\$ 25
Chester Creek Sports Complex Park	100	5
East Delaney Park and Facility Improvements	250	13
Eastchester Park	300	15
Facility Safety Upgrades Annual Program	200	10
Fairview Recreation Center Improvements	250	13
Fish Creek Trail to the Ocean	1,300	65
Goose Lake Park Improvements	400	20
Kincaid Park	150	8
Midtown Park Chalet	400	-
Multi-Use Trails and Access Annual Program	200	10
Nunaka Valley Park Improvements	300	15
Peratrovich Park Upgrades	200	10
Pool Filtration System & Building Controls	550	-
Sand Lake Dock	150	8
Sitka Street Park Trail Rehabilitation and Connectivity	100	5
Town Square Park Development	2,900	23
Total	\$8,250	\$245

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2025-10

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 EIGHT MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$8,250,000) 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 1, 2025.

Sponsor: Mayor

Preparing Agency: Public Finance Division

Others Impacted: Parks & Recreation Department

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY25	FY26	FY27	FY28	FY29
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	--	245.0	245.0	245.0	245.0
4000 Debt Service	--	600.4	600.4	600.4	600.4
5000 Capital Outlay					
TOTAL DIRECT COSTS:	--	845.4	845.4	845.4	845.4
ADD: 6000 Charge from Others					
FUNCTION COST:	--	845.4	845.4	845.4	845.4

REVENUES:

CAPITAL:

POSITIONS: FT/PT and Temp.

PUBLIC SECTOR ECONOMIC EFFECTS:

Estimated annual debt service of \$600,443 assumes bonds are sold as a single bond issue with an interest rate of 3.877% 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 \$245,000.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately \$600,443 equate to an estimated property tax increase of 0.0173 mills or \$1.73 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 \$245,000 and equate to an estimated property tax increase of 0.0071 mills or \$0.71 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 \$2.44 per \$100,000 of assessed valuation in the Anchorage Parks and Recreation Service Area.