

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. 2025-9**

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-THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$33,700,000) 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 1, 2025.

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 \$33,700,000 (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 \$33,700,000.

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 may apply Bond proceeds or any portion thereof to other Municipality
21 capital improvements within the Anchorage Roads and Drainage Service Area at its
22 sole discretion. Otherwise, the Municipality shall apply such remaining proceeds
23 solely to payment of principal or interest on the Bonds, as provided in the Home
24 Rule Charter. In the event that the proceeds of sale of the Bonds, plus any other
25 monies of the Municipality legally available, are insufficient to accomplish the
26 approved Projects, the Municipality shall use the available funds for paying the cost
27 of those portions of the approved Projects deemed by the Municipality most
28 necessary and in the best interest of the Municipality. No Bond proceeds shall be
29 used by the Municipality for any purpose other than a capital improvement of the
30 Municipality.

31
32 For the purpose of providing funds for the undertaking of the Projects, which
33 are hereby found to be a public purpose and in the public interest, the Municipality
34 hereby proposes to issue general obligation bonded indebtedness in an amount not
35 to exceed Thirty-Three Million Seven Hundred Thousand Dollars (\$33,700,000).

36
37 **Section 2.** Details of Bonds. The Bonds shall be sold in such amounts and at
38 such time or times as deemed necessary and advisable by the Assembly and as
39 permitted by law and shall mature over a period of up to 20 years from date of issue.
40 The Bonds shall be issued in an aggregate principal amount of not to exceed
41 \$33,700,000. The Bonds shall bear interest to be fixed at the time of sale or sales
42 thereof. The exact form, terms, conditions, contents, security, options of
43 redemption, and such other matters relating to the issuance and sale of said Bonds
44 as are deemed necessary and advisable by the Assembly shall be as hereinafter
45 determined and/or delegated by ordinance and/or resolution of the Assembly.
46

1 The full faith and credit of the Municipality is pledged for the payment of the
2 principal of and interest on the Bonds, and ad valorem taxes upon all taxable
3 property in the Municipality shall be levied without limitation as to rate or amount to
4 pay the principal and interest on the Bonds when due. The principal of and interest
5 on the Bonds are to be paid first from ad valorem taxes levied and collected within
6 the Anchorage Roads and Drainage Service Area.

7
8 **Section 3. Ballot Proposition.** The Assembly hereby submits to the qualified
9 voters of the Municipality the proposition of whether or not the Municipality should
10 issue the Bonds for the purpose of financing the costs of the approved Projects at
11 the regular municipal election to be held on April 1, 2025.

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

20
21 PROPOSITION NO. _____

22
23 ANCHORAGE ROADS AND DRAINAGE SERVICE
24 AREA ROADS AND STORM DRAINAGE BONDS

25
26 For the purpose of providing roads and storm drainage
27 capital acquisition, construction, renovation and
28 upgrades in the Anchorage Roads and Drainage Service
29 Area, as provided in AO 2025-___, shall Anchorage
30 borrow money and issue up to \$33,700,000 in principal
31 amount of general obligation bonds and increase the
32 municipal tax cap by an annual amount not to exceed
33 \$143,000 to pay for associated annual operations and
34 maintenance costs?

35
36 Voter approval of this bond proposition authorizes for
37 each \$100,000 of assessed taxable property value
38 (based on the estimated 2025 assessed valuation in the
39 Anchorage Roads and Drainage Service Area): (i) an
40 annual increase in taxes of approximately \$7.86 to retire
41 the proposed bonds, and (ii) an annual increase in the
42 municipal tax cap (Charter 14.03(b)(2)) of approximately
43 \$0.46 to pay for annual operation and maintenance
44 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. 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 ___ day of _____, 2025.

By _____
Chair of the Assembly

ATTEST:

Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 54 - 2025

Meeting Date: January 7, 2025

1 **FROM: MAYOR**

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 **THIRTY-THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS**
7 **(\$33,700,000) OF GENERAL OBLIGATION BONDS OF THE**
8 **MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF ROAD AND**
9 **STORM DRAINAGE CAPITAL IMPROVEMENTS IN THE ANCHORAGE**
10 **ROADS AND DRAINAGE SERVICE AREA, AND THE QUESTION OF AN**
11 **INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY**
12 **ASSOCIATED OPERATIONS AND MAINTENANCE COSTS IN THE**
13 **ANCHORAGE ROADS AND DRAINAGE SERVICE AREA, AT THE**
14 **ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2025.**

15
16 The attached ordinance will place a general obligation bond proposition for the Anchorage
17 Roads and Drainage Service Area (ARDSA) on the ballot for the regular Municipal
18 election to be held on April 1, 2025.

19
20 The Administration recommends scheduling a public hearing for this bond ordinance on
21 January 21, 2025.

22
23 The ARDSA bond proposal will implement the priorities established in the 2025-2030
24 Capital Improvement Program. Please see the attached Project List, attached as
25 Exhibit A.

26 **THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE.**

27
28
29 Prepared by: Ross Risvold, Public Finance & Investments Manager
30 Approved: Philippe D. Brice, CFO
31 Approved: William D. Falsey, Chief Administrative Officer
32 Concur: Eva R. Gardner, Municipal Attorney
33 Concur: Ona R. Brause, OMB Director
34 Concur: William D. Falsey, Chief Administrative Officer
35 Concur: Rebecca A. Windt Pearson, Municipal Manager
36 Respectfully submitted: Suzanne LaFrance, Mayor

EXHIBIT A

Anchorage Road and Drainage Service Area 2025 Bond Project List (000)'s

<u>Project</u>	<u>Amount</u>	<u>O&M</u>
15th Ave Area Drainage Improvements - Orca St to Lake Otis Pkwy	\$ 500	-
64th Ave and Meadow St Area Storm Drain Improvements	3,400	-
AMATS: 32nd Ave Reconstruction - Lois Dr to Minnesota Dr	100	-
AMATS: 4th Ave Signals and Lighting - Cordova St to Ingra St	150	-
AMATS: Academy Dr/Vanguard Dr Area Traffic Circulation Improvements - Brayton Dr to Abbott Rd	100	-
AMATS: Dale St and Folker St Upgrade - 40th Ave to Tudor Rd	250	-
AMATS: Fireweed Ln Reconstruction - Spenard Rd to New Seward Hwy	100	-
AMATS: Spenard Rd Rehabilitation - Benson Blvd to Minnesota Dr	50	-
AMATS: Spenard Rd Rehabilitation - Minnesota Dr to Northwood Dr	50	-
ARDSA Alaska Railroad Crossing Rehabilitations Annual Program	1,000	-
ARDSA Flooding, Glaciation, and Drainage Annual Program	1,000	\$ 15
ARDSA Low Impact Development Annual Program	250	10
ARDSA Pavement and Subbase Rehabilitation Annual Program	1,200	5
ARDSA Pedestrian Safety and Rehabilitation Annual Program	1,000	15
ARDSA Road and Drainage Rehabilitation Annual Program	1,000	-
ARDSA Sidewalk Rehabilitation Annual Program	500	-
ARDSA Sound Barrier/Retaining Wall Replacement Annual Program	500	-
ARDSA Storm Drainage Deficiencies Annual Program	2,000	-
ARDSA Street Light Improvements Annual Program	100	-
Bragaw St Corridor Safety Improvements - Glenn Hwy to Northern Lights Blvd	1,000	-
Bragaw St Storm Drain Improvements - San Jeronimo Dr to Northern Lights Blvd	700	-
Coventry Dr Area Storm Drain Improvements	250	-
Dowling Rd Surface Rehab - Lake Otis Pkwy to Elmore Rd	400	15
Downtown Lighting and Signals Upgrades Annual Program	1,500	-
E 74th Ave/Nancy St/75th Ave Road Reconstruction	2,800	-
Forest Park Dr Roadway Surface & Shoulder Rehabilitation - Hillcrest Dr to Northern Lights Blvd	850	-
Leary Bay Cir Drainage Improvements	350	-
Northern Lights Blvd Safety Improvements Pilot Project - Match Funding (SS4A)	250	-
Quinhagak St Upgrade - E Dowling Rd to Askeland Dr	7,100	38
Snow Disposal Site - West Anchorage	4,550	45
W 32nd and Calais Dr Road Improvements - C St to Denali St	500	-
West Bluff Dr/Ocean Dock Rd Area Storm Drain	200	-
Total	\$33,700	\$143

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects General Government

AO Number: 2025-9

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-THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$33,700,000) 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 1, 2025.**

Sponsor: Mayor
 Preparing Agency: Public Finance Division
 Others Impacted: ARDSA

CHANGES IN EXPENDITURES AND REVENUES:					
(Thousands of Dollars)					
	FY25	FY26	FY27	FY28	FY29
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	--	143.0	143.0	143.0	143.0
4000 Debt Service	--	2,452.7	2,452.7	2,452.7	2,452.7
5000 Capital Outlay					
TOTAL DIRECT COSTS:	--	2,595.7	2,595.7	2,595.7	2,595.7
ADD: 6000 Charge from Others					
FUNCTION COST:	--	2,595.7	2,595.7	2,595.7	2,595.7
REVENUES:					
CAPITAL:					
POSITIONS: FT/PT and Temp.					

PUBLIC SECTOR ECONOMIC EFFECTS:

Estimated annual debt service of \$2,452,719 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 \$143,000.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately \$2,452,719 equate to an estimated property tax increase of 0.0786 mills or \$7.86 per year on \$100,000 of assessed valuation in the ARDSA.

When fully operational, increased annual operations and maintenance costs are estimated at \$143,000 and equate to an estimated property tax increase of 0.0046 mills or \$0.46 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 \$8.32 per \$100,000 of assessed valuation in the ARDSA.