

Submitted by: Assembly Members
Christopher Constant,
Meg Zaletel and Anna
Brawley

Municipal Clerk's Office
Amended and Approved
Date: **January 9, 2024**

Prepared by: Cynthia M. Weed, Bond
Counsel
K&L GATES LLP

(S-1) Prepared by: Assembly Counsel

(S-1) For Reading: December 5, 2023

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2023-114(S-1), As Amended**

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 FIVE MILLION DOLLARS (\$5,000,000) ~~[NINE MILLION DOLLARS (\$9,000,000)]~~ ~~[TWELVE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$12,500,000)]~~ OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AN AREAWIDE PUBLIC RESTROOM PROJECT, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 2, 2024 AND APPROVING AND ADDING A PROJECT TO THE AREAWIDE 2024 CIB TO INCLUDE THE PUBLIC RESTROOM PROJECT.

WHEREAS, the Municipality of Anchorage, Alaska (the "Municipality") is a home rule municipality, including powers to protect public health; and

WHEREAS, the best interest of the citizens and property owners in the Municipality require the Municipality to acquire and install areawide public restrooms, said restrooms will be standalone, durable-construction public restroom units (the "Project"); and

WHEREAS, the Assembly may alter the Areawide 2024 CIB by majority vote; and

WHEREAS, the Assembly desires to alter the Areawide 2024 CIB to include the Project; and

WHEREAS, in order to provide financing for the Project, it is deemed necessary and advisable that the Municipality issue and sell its general obligation bonds in the principal amount of not to exceed exceed \$5,000,000 ~~[\$9,000,000]~~ ~~[\$12,500,000]~~ (the "Bonds"); now, therefore,

1 **THE ANCHORAGE ASSEMBLY ORDAINS:**

2
3 **Section 1.** Purpose. The Assembly hereby determines that the Project is needed
4 throughout the Municipality. The Assembly hereby determines that the best interest
5 of the residents and property owners within the Municipality require the Municipality
6 to undertake the Project at the time and in the order and in the manner deemed
7 most necessary and advisable by the Municipality. The estimated cost of the
8 Project, including incidental costs and costs related to issuing and selling the Bonds
9 as provided in this ordinance, is estimated to be ~~\$5,000,000~~ ~~[\$9,000,000]~~
10 [\$12,500,000].

11
12 The Assembly hereby finds it necessary to alter the Areawide 2024 CIB to
13 include the Project.

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

23
24 The Municipality shall determine the application of available moneys for the
25 Project so as to accomplish, as nearly as may be, the Project described or provided
26 for in this section.

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

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

44
45 For the purpose of providing funds for the undertaking of the Project, which
46 is hereby found to be a public purpose and in the public interest, the Municipality

1 hereby proposes to issue general obligation bonded indebtedness in an amount not
2 to exceed **Five Million Dollars (\$5,000,000)**~~**Nine Million Dollars**~~
3 ~~**(\$9,000,000)**~~~~**Twelve Million Five Hundred Thousand Dollars (\$12,500,000)**~~.

4
5 **Section 2. Details of Bonds.** The Bonds shall be sold in such amounts and at
6 such time or times as deemed necessary and advisable by the Assembly and as
7 permitted by law and shall mature over a period of up to 20 years from date of issue.
8 The Bonds shall be issued in an aggregate principal amount of not to exceed
9 **\$5,000,000** ~~**\$9,000,000**~~ ~~**\$12,500,000**~~. The Bonds shall bear interest to be fixed
10 at the time of sale or sales thereof. The exact form, terms, conditions, contents,
11 security, options of redemption, and such other matters relating to the issuance and
12 sale of said Bonds as are deemed necessary and advisable by the Assembly shall
13 be as hereinafter determined and/or delegated by ordinance and/or resolution of the
14 Assembly.

15
16 The full faith and credit of the Municipality is pledged for the payment of the
17 principal of and interest on the Bonds, and ad valorem taxes upon all taxable
18 property in the Municipality shall be levied without limitation as to rate or amount to
19 pay the principal and interest on the Bonds when due.

20
21 **Section 3. Ballot Proposition.** The Assembly hereby submits to the qualified
22 voters of the Municipality the proposition of whether or not the Municipality should
23 issue the Bonds for the purpose of financing the costs of the approved Project at
24 the regular municipal election to be held on April 2, 2024.

25
26 The Clerk shall prepare the ballot proposition to be submitted to the voters
27 as provided by this ordinance and the Municipal Code and shall perform all
28 necessary steps in accordance with law to place this proposition before the voters
29 at the regular election. The proposition must receive an areawide majority vote of
30 those in the Municipality voting on the question to be approved. The proposition
31 shall be substantially in the following form:

32
33 PROPOSITION NO. _____

34
35 **AREAWIDE PUBLIC RESTROOM BONDS**

36
37 For the purpose of providing areawide public restrooms
38 within the Municipality of Anchorage, of The Portland
39 Loo type or similar, as provided in AO 2023-____, shall
40 Anchorage borrow money and issue up to **\$5,000,000**
41 ~~**\$9,000,000**~~ ~~**\$12,500,000**~~ in principal amount of
42 general obligation bonds **and increase the municipal**
43 **tax cap by an annual amount not to exceed \$300,000**
44 ~~**\$540,000**~~ ~~**\$900,000**~~ **to pay for associated annual**
45 **operations and maintenance costs?**
46

Voter approval of this bond proposition authorizes for each \$100,000 of assessed taxable property value (based on the estimated 2024 areawide assessed valuation in Anchorage): (i) an annual increase in taxes of approximately \$1.01 [~~\$1.83~~][~~\$2.54~~] to retire the proposed bonds, and (ii) an annual increase in the municipal tax cap (Charter 14.03(b)(2)) of approximately \$0.79 [~~\$1.43~~][~~\$2.38~~] 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 areawide within Anchorage. The Municipality will also pledge its full faith and credit for payment of the bonds.

YES NO

Section 4. Areawide 2024 CIB. The Assembly hereby alters the Areawide 2024 CIB to include the Project and increase the amount of the Areawide 2024 CIB by Five Million Dollars (\$5,000,000)[~~Nine Million Dollars (\$9,000,000)~~][~~Twelve Million Five Hundred Thousand Dollars (\$12,500,000)~~].

Section 5. 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 2, 2024. 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 9th day of January, 2024.



Chair

ATTEST:



Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 951-2023

Meeting Date: December 5, 2023

1 **Submitted by:** Assembly Members Chris Constant, Meg Zaletel and
2 Anna Brawley

3
4 **Subject:** AO 2023-114(S-1): AN ORDINANCE PROVIDING FOR THE
5 SUBMISSION TO THE QUALIFIED VOTERS OF THE
6 MUNICIPALITY OF ANCHORAGE, ALASKA, THE QUESTION
7 OF THE ISSUANCE OF NOT TO EXCEED **NINE MILLION**
8 **DOLLARS (\$9,000,000)**~~**TWELVE MILLION FIVE HUNDRED**~~
9 ~~**THOUSAND DOLLARS (\$12,500,000)**~~ OF GENERAL
10 OBLIGATION BONDS OF THE MUNICIPALITY OF
11 ANCHORAGE TO PAY THE COSTS OF AN AREAWIDE
12 PUBLIC RESTROOM PROJECT, **AND THE QUESTION OF**
13 **AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION**
14 **TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE**
15 **COSTS,** AT THE ELECTION TO BE HELD IN THE
16 MUNICIPALITY ON APRIL 2, 2024 AND APPROVING AND
17 ADDING A PROJECT TO THE AREAWIDE 2024 CIB TO
18 INCLUDE THE PUBLIC RESTROOM PROJECT.
19

20 The attached (S-1) version of the ordinance is introduced to reduce the estimated
21 annual operations and maintenance (O&M) costs of the public restrooms. There
22 are several cities that have maintained and operated Portland Loo style public
23 bathrooms for years, succinctly summarized in October 2019 report “Findings and
24 Take-Aways for Washington DC From a Questionnaire Administered to Cities that
25 Have Installed the Portland Loo.”¹ This report includes some annual O&M costs for
26 that product, generally stating, in 2019, it was “\$12,000 to \$20,000 [to maintain]
27 depending on location and daily use,”² and from cities that responded to a survey
28 that installed them in city areas (as opposed to in parks) the number of times per
29 day for cleaning was “[b]etween 1 and 3 times/day depending on use.”³ There are
30 several articles available online regarding the costs to maintain these public
31 restrooms, and a common theme is an appropriate strategic location will make a
32 difference in keeping that expense low.⁴

¹ See <https://dcpublicrestrooms.org/wp-content/uploads/2022/04/Portland-Loo-full-report-Oct.-2019.pdf>
(accessed December 1, 2023).

² *Id.*, footnote 6.

³ *Id.* at Attachment 3.

⁴ San Diego: <https://www.sandiegoreader.com/news/2015/aug/15/stringers-san-diegos-portland-loo-price/>

1
2 Finally, in correspondence with the sponsors, some other cities provided the
3 following annual O&M per unit costs:
4

<u>City</u>	<u>Cost Information Reported</u>	<u>Annual O&M per unit</u>
Medford, OR	\$900 per month (contract + personnel)	\$10,800
Sumner, WA	1 city staff cleans once daily, \$60/hr takes 30 mins	\$10,950
Surrey, CA	2 Portland Loos, maintenance for both \$25,000 annually	\$12,500
Vancouver, WA	2 Portland Loos: contracted for cleaning: \$85 for 1 cleaning/day, additional \$70 per day May -September. \$44,378.00 for both yearly.	\$22,189

5
6 The original O&M costs in AO 2023-114(S) were calculated by the Administration,
7 which explained there was a similar bond proposition proposal for Portland Loo style
8 public restrooms developed in 2021, and at that time the estimated O&M was based
9 on \$5,000 for utilities, \$10,000 for anticipated repairs and maintenance of the
10 equipment, and \$25,000 for cleaning. The cleaning cost estimate was based on
11 assumptions of 4 cleanings per day with a crew of 2, 3.5 person-hours/day for one
12 unit (with travel time), that equated to slightly less than 2 hours per crew per day
13 each unit. The total then was \$40,000 per unit.
14

15 We believe the assumptions were above the amount needed for a reasonable level
16 of service, and well beyond typical service levels, based on information from other
17 jurisdictions who already operate these units. While some public restrooms may
18 need more than 1 cleaning per day due to location, the vast majority only require
19 one. Using the assumption of \$10,000 per unit with an average of 1 cleaning per day,
20 and allowing a contingency amount assuming that some units in more heavy-traffic
21 areas will require additional cleanings, renders a more realistic estimate. We started
22 with the 2021 estimate for utilities and repair maintenance as a base, then adjusted
23 for the cumulative inflation rate since then (13.6%). This yields the following
24 estimates:
25

Utilities:	\$5,680
Maintenance/Repairs:	\$11,360
<u>Cleaning:</u>	<u>\$10,000</u>
Total:	\$27,040.

26 We have rounded up to \$30,000, for an approximate 10% contingency.
27
28
29
30
31

32 Based on the assumptions of 18 standalone units in place and an annual O&M cost
33 of \$30,000 per unit, we assume an increase in O&M of \$540,000 in the bond ballot
34 proposition. This requires voter approval of an increase in the annual tax cap

Jacksonville: <https://www.metrojacksonville.com/article/2012-feb-portland-loo-success-where-others-have-failed>

1 | limitation of \$1.43 per \$100,000 of assessed taxable property value in the
2 | Municipality. These figures are indicated in the ballot proposition language on p. 3-
3 | 4 of the (S-1) version of the ordinance, Exhibit A, and the revised SEE submitted
4 | herewith.

5 |
6 | Prepared by: Assembly Members Chris Constant,
7 | Meg Zaletel and Anna Brawley
8 | Acknowledged by: Alden Thern, CFO
9 | Acknowledged by: Anne Helzer, Municipal Attorney
10 | Acknowledged by: Sharon Lechner, Acting OMB Director
11 | Acknowledged by: Kent E. Kohlhase, Municipal Manager
12 | Submitted by: Assembly Members Chris Constant,
13 | Meg Zaletel and Anna Brawley

EXHIBIT A
(for AO 2023-114(S-1))

Areawide Public Restrooms
2024 Bond Project List
(000)'s

Project	Amount	O&M
The Portland Loo, or similar, stand alone bathrooms	\$9,000 [\$12,500]	\$540 [\$900] [-]
Total	\$9,000 [\$12,500]	\$540 [\$900] [-]

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2023-114(S-1), As Amended 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 ~~FIVE MILLION DOLLARS (\$5,000,000)~~ ~~[NINE MILLION DOLLARS (\$9,000,000)]~~ ~~[TWELVE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$12,500,000)]~~ OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF AN AREA WIDE PUBLIC RESTROOM PROJECT, AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS, AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 2, 2024 AND APPROVING AND ADDING A PROJECT TO THE AREA WIDE 2024 CIB TO INCLUDE THE PUBLIC RESTROOM PROJECT.

Sponsors: Assembly Members Chris Constant, Meg Zaletel and Anna Brawley
 Prepared By: Assembly Members Chris Constant, Meg Zaletel and Anna Brawley and Public Finance Staff
 Others Impacted: Areawide Service Area: Public Restrooms

CHANGES IN EXPENDITURES AND REVENUES:

(Thousands of Dollars)

	FY23	FY24	FY25	FY26	FY27
Operating Expenditures					
1000 Personal Services					
2000 Supplies		300.0	300.0	300.0	300.0
3000 Other Services	--	[540.0] [900.0]	[540.0] [900.0]	[540.0] [900.0]	[540.0] [900.0]
		383.5	383.5	383.5	383.5
4000 Debt Service	--	[690.4] [958.8]	[690.4] [958.8]	[690.4] [958.8]	[690.4] [958.8]
5000 Capital Outlay					
		683.5	683.5	683.5	683.5
TOTAL DIRECT COSTS:--	[1,590.4] [958.8]	[1,590.4] [958.8]	[1,590.4] [958.8]	[1,590.4] [958.8]	[1,590.4] [958.8]

ADD: 6000 Charge from Others
 LESS: 7000 Charge to Others

FUNCTION COST:

REVENUES:

CAPITAL:

POSITIONS: FT/PT and Temp.

PUBLIC SECTOR ECONOMIC EFFECTS:

Estimated annual debt service of ~~\$383,537~~ ~~[\$690,366]~~ ~~[\$958,842]~~ assumes bonds are sold as a single bond issue with an interest rate of 4.475% 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 \$300,000 ~~[\$540,000]~~ ~~[\$900,000]~~.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately ~~\$383,537~~ ~~[\$690,366]~~ ~~[\$958,842]~~ equate to an estimated property tax increase of ~~0.0101~~ ~~[0.0183]~~~~[0.0254]~~ mills or ~~\$1.01~~ ~~[\$1.83]~~~~[\$2.54]~~ per year on \$100,000 of assessed valuation in the Municipality areawide.

When fully operational, increased annual operations and maintenance costs are estimated at \$300,000 ~~[\$540,000]~~ ~~[\$900,000]~~ and equate to an estimated property tax increase of ~~0.0079~~ ~~[0.0143]~~ ~~[0.0238]~~ mills or ~~\$0.79~~ ~~[\$1.43]~~ ~~[\$2.38]~~ per year on \$100,000 of assessed valuation in the Municipality areawide and an increase in the Municipal tax cap limitation.

The total private sector economic effect would therefore be a total of \$1.80 [~~\$3.26~~] [~~\$4.21~~] per \$100,000 of assessed valuation.