

ASSEMBLY MEMBER SULTE and RIVERA
AO No. 2024-XXX

Project Anchorage



PROJECT ANCHORAGE GOALS

Revitalize the Anchorage through MAPs

- Grow our economy and build new projects to improve our quality of life

To reduce property taxes

- Property taxes relief
- Tax in citizen control
- Increase housing affordability.

Diversify our tax base

- Commuters, transient workers, and tourist use our services for the most part for free.

Key Components

- Implementation window July 1, 2026 to July 1, 2027
- Ballot Proposition Language
- 2/3 for Property tax diversification
- 1/3 for Municipal Area Projects (MAPS)
- Safeguarding the Tax Cap
- Seven Calendar Year Sunset Provision
- Tax Exemptions and Hardship Relief
- Citizens Advisory and Oversight Board (COAB)
- Municipal Area Projects Tax Trust Fund

Projected Revenue

- Project revenue: ~\$180MM
 - 1% or 1/3 towards Municipal Area Projects (MAPS) less administration cost.
 - Outside of Tax Cap
 - 2% or 2/3 towards Tax Diversification
 - Under Tax Cap.

Property Tax Relief (12.80.040)

- Diversification projected revenue: \$120MM
Property tax relief: ~16%
 - Reduction per \$100,000: ~\$265
 - \$1,195 on average \$450,000 home
 - Reduction based on actual prior year collections

Diversification Goals:

1. Tax Diversification
2. Lessen cost of home ownership

MAPS (12.80.050)

- MAPS projected revenue: ~\$60MM
 - ~Deduct ~\$10MM for...
 - ~\$4MM for 3% or \$3,000 hold back
 - ~\$4.7MM for Administration
 - Net ~\$50MM annually
- Citizen Advisory and Oversight Board
- Projects do not start until 80% funded
- Projects include Operation, Maintenance and Safety improvements for expected life of project

MAPS Goals:

1. Improved quality of place
2. Increased retention & attraction of talent

MAPS (12.80.050 - continued)

- **Indoor Market and Food Hall:** An indoor open-air market, available for food vendors, farmers markets, and artisans.
 - The Garage – Indianapolis, IN
- **Ship Creek Riverwalk and Entertainment District:** A river walk with new commercial and park space, connecting downtown Anchorage to the coast.
 - Ft Wayne, Tulsa, OKC, San Antonio



MAPS (12.80.050 - continued)

- **Nordic Aquatic Center:** Facility to offer residents year-round entertainment and recreation space, including a lap pool, children's features, Jacuzzis, saunas, lazy rivers and a water slide.
 - Mc Donald Island, Alberta
- **Four Season Trail Facilities:** Three full-service facilities at Kincaid, Goose Lake and Chester Creek, including food and beverage services, outdoor equipment rentals, commercial space and other site-specific amenities.



MAPS (12.80.050 - continued)

- **Downtown Arts and Entertainment Redevelopment:** Upgrade the Performing Arts Center, completely redo Town Square Park and improve the pedestrian walking experience to the 4th Avenue commercial area.
- **Chester Creek Sports Complex:** Revitalize the Chester Creek Sports Complex to include state of the art facilities for hockey, baseball, and football, in addition to new land available for housing and commercial space.
- **Anchorage Sports Center:** A new indoor sports center, including basketball, tennis and pickleball courts, an indoor track, and open turf space located in East Anchorage.

MAPS (12.80.050 - Continued)

- **Children's Museum:** A facility offering exhibits and programs designed for children.
- **Eagle River Sports and Recreation Facility:** An indoor sports facility that includes soccer, basketball, flag football, and volleyball courts.
- **Girdwood Arts & Recreation District:** A space for art galleries, workshops and a dedicated camping and RV park in the South Townsite

Citizens Oversight and Advisory Board (12.80.060)

- Seven members with three-year term appointed by Mayor and confirmed by Assembly.
- Purpose to review proposed and actual expenditures from the MAPs Tax Trust Fund and submit recommendations to the Assembly and Mayor regarding expenditures, the order of projects funded, and modifications to the list of tax exemptions with Assembly approval.
- Recommend appropriations for operations, maintenance, security and safety for constructed and related improvements.
- On an annual basis provide a report to the Mayor and Assembly on the status of the tax and any exemptions that they recommend be added, deleted, or changed.

EXEMPTIONS (12.80.070)

- Non-prepared foods
- Rent payments
- Licensed childcare and products
- Medical services, counseling, goods and prescriptions
- Gasoline or diesel Fuel
- Financial services transactions
- Business-to-business (wholesale) purchases
- Items for resale (AKA Facebook Marketplace or yard sale items)

EXEMPTIONS (12.80.070 - continued)

- State and Federal Exemptions
- \$1,000 cap of an eligible expense resulting in a \$30 max tax per transaction.
- Incidental sales and purchases by a charitable organization, or a private or parochial school where proceeds go to organization or mission

EXEMPTIONS (12.80.070 - continued)

- Exemption Modification:
 - The Assembly by majority vote may, after formal recommendation from the MAPs Citizen Advisory and Oversight Board, alter or modify a determination of the department concerning the application of any exemption provided for in subsection A-D of this section to any specific goods or services.

EXEMPTIONS (12.80.070 - continued)

- Hardship Relief:
 - The Administration shall establish a Universal Application process allowing households to qualify for Hardship Relief. Households with incomes below the federal level of eighty percent (80%) poverty shall be exempt from the provisions of this sales tax.

MAPS TRUST FUND (12.80.080)

- Trust Fund shall be invested as prescribed by an investment policy approved by the assembly.
- Board of trustees shall be appointed by the mayor and confirmed by the Assembly serving a three year term.

TAX CAP (Section 4 12.25)

- Places Property Tax Diversification under Tax Cap.
 - Drives property tax relief
- Exempts Municipal Area Projects from Tax Cap

You will have input

Assembly Inputs

- Board Members
- Exemptions
- Project expenditures
- Hardship Exemption
- Trustee Board
- Investment policy

Mayor Inputs

- Implementation
- Board Members
- Trustee Members
- PM&E
- Purchasing

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THANK YOU.

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