

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2013-135

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED FIFTY-SEVEN MILLION TWO HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$57,285,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF EDUCATIONAL CAPITAL IMPROVEMENTS, PLANNING AND DESIGN PROJECTS AND DISTRICTWIDE BUILDING LIFE EXTENSION PROJECTS AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2014.

Prepared by
K&L GATES LLP

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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.

Requested by: Chair of the Assembly at
the Request of the
Anchorage School District
Prepared by: Cynthia M. Weed, Bond
Counsel
K&L Gates LLP
For Reading: December 3, 2013

**MUNICIPALITY OF ANCHORAGE, ALASKA
ORDINANCE No. 2013-135**

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED FIFTY-SEVEN MILLION TWO HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$57,285,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF EDUCATIONAL CAPITAL IMPROVEMENTS, PLANNING AND DESIGN PROJECTS AND DISTRICTWIDE BUILDING LIFE EXTENSION PROJECTS AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 1, 2014.

WHEREAS, the existing educational facilities serving the Municipality of Anchorage, Alaska (the "Municipality") are in need of building systems renewal, replacements, renovations, construction and undertaking of planning and design projects; and

WHEREAS, the Assembly of the Municipality and School Board have identified necessary construction, renovations, upgrades and improvements to school facilities; and

WHEREAS, in order to provide funds to perform the necessary construction, renovations, upgrades and improvements as further described in Section 1 of this ordinance (the "Projects"), it is deemed necessary and advisable that the Municipality issue and sell its general obligation bonds (the "Bonds"); now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Purpose. The Assembly hereby determines that the education facilities and building systems are in need of construction, renewal, replacement, renovation and the undertaking of planning and design projects (the "Projects"). Specifically, construction and expansion of Airport Heights Elementary School, and renewals, replacements, and renovations of building systems such as roof, lighting, fire alarm, communication, mechanical, and site upgrades will be performed at district facilities. It is also proposed to undertake planning and

1 design projects for the future renovation and improvements of four educational
2 facilities.

3
4 The Projects are described in more detail in the Assembly Memorandum
5 accompanying this ordinance. The cost of all necessary planning, acquisition of
6 property for, site preparation, construction, installing and equipping of the Projects,
7 architectural, engineering, design, and other consulting services, inspection and
8 testing, administrative and relocation expenses, costs of issuance of the Bonds
9 (hereinafter defined) and other costs incurred in connection with the Projects shall
10 be deemed to be costs of the approved Projects. The approved Projects may be
11 completed with all necessary equipment and appurtenances.

12
13 The School District shall determine the application of available money as
14 between the various Projects set forth above so as to accomplish, as nearly as
15 may be, all of the Projects described or provided for in this section.

16
17 If the School District shall determine that it has become impractical to
18 accomplish any portion of the approved Projects by reason of changed conditions
19 or needs, incompatible development or costs substantially in excess of those
20 estimated, the School District shall not be required to accomplish such portions
21 and shall apply Bond proceeds as set forth in this section.

22
23 If the approved Projects have been completed in whole or in part, or their
24 completion duly provided for, or their completion found to be impractical, the
25 School District may apply Bond proceeds or any portion thereof to other School
26 District capital improvements as the School Board in its discretion shall determine
27 and, if otherwise, then solely to payment of principal or interest on the Bonds, as
28 provided in the Home Rule Charter. In the event that the proceeds of sale of the
29 Bonds, plus any other money of the School District legally available, are
30 insufficient to accomplish the approved Projects, the School District shall use the
31 available funds for paying the cost of those portions of the approved Projects for
32 which the Bonds were approved deemed by the School Board most necessary
33 and in the best interest of the School Board. No Bond proceeds shall be used for
34 any purpose other than a capital improvement.

35
36 For the purpose of providing funds for the undertaking of the Projects, which
37 are hereby found to be a public purpose and in the public interest, the Municipality
38 hereby proposes to issue general obligation bonded indebtedness in an amount
39 not to exceed Fifty-Seven Million Two Hundred Eighty-Five Thousand Dollars
40 (\$57,285,000) (the "Bonds").

41
42 **Section 2. Details of Bonds.** The Bonds shall be sold in such amounts and at
43 such time or times as deemed necessary and advisable by the Assembly and as
44 permitted by law and shall mature over a period of not to exceed 20 years of date
45 of issue. The Bonds shall be issued in an aggregate principal amount of not to
46 exceed \$57,285,000. The Bonds shall bear interest to be fixed at the time of sale

1 or sales thereof. The exact form, terms, conditions, contents, security, options of
2 redemption, and such other matters relating to the issuance and sale of said
3 Bonds as are deemed necessary and advisable by the Assembly shall be as
4 hereinafter determined and/or delegated by ordinance and/or resolution of the
5 Assembly.

6
7 The full faith and credit of the Municipality is pledged for the payment of the
8 principal of and interest on the Bonds, and ad valorem taxes upon all taxable
9 property in the Municipality shall be levied without limitation as to rate or amount to
10 pay the principal and interest on the Bonds when due.

11
12 **Section 3. Ballot Proposition.** The Assembly hereby submits to the qualified
13 electors of the Municipality the proposition of whether or not the Municipality
14 should issue the Bonds for the purpose of financing the costs of the approved
15 Projects at the regular municipal election to be held on April 1, 2014.

16
17 The Clerk shall prepare the ballot proposition to be submitted to the voters
18 as provided by this ordinance and the Municipal Code and shall perform all
19 necessary steps in accordance with law to place this proposition before the voters
20 at the regular election. The proposition must receive a majority vote of those in
21 the Municipality voting on the question to be approved. The proposition shall be
22 substantially in the following form:

23
24 PROPOSITION NO. _____

25 EDUCATIONAL CAPITAL IMPROVEMENTS, PLANNING
26 AND DESIGN PROJECTS AND DISTRICTWIDE BUILDING
27 LIFE EXTENSION PROJECT BONDS
28

29 Shall Anchorage borrow up to \$57,285,000 through the
30 issuance of general obligation bonds to pay for educational
31 capital improvements, construction and renovation of school
32 facilities, educational facility building life extension and design
33 projects within Anchorage, as provided in Ordinance
34 No. AO 2013-135? The Projects currently qualify for up to
35 70% State debt reimbursement of the issuance (subject to
36 annual Legislative appropriation as described below.)
37

38 The general obligation bond proceeds will be used to pay
39 costs of planning, design, site preparation, constructing,
40 renovating, installing, acquiring and equipping educational
41 capital improvement projects including, but not limited to,
42 renewals, replacements, and renovations of electrical and
43 mechanical systems, building systems, and sites, undertaking
44 planning and design projects, and constructing, expanding
45 and renovating Airport Heights Elementary School. The

Projects currently qualify for up to 70% State debt reimbursement of the issuance. If the State chooses to make full reimbursement on the eligible \$57,285,000, the annual increase in taxes would be \$4.86 to retire the proposed bonds (based on \$100,000 of 2014 real and personal property value). State reimbursement is subject to annual Legislative appropriation.

Without State reimbursement for debt service, voter approval of this bond proposition authorizes for each \$100,000 of assessed real and personal property value (based on the estimated 2014 assessed valuation) an annual increase in taxes of approximately \$13.86 to retire the proposed bonds.

The debt will be paid from real and personal property taxes levied and collected areawide in Anchorage. Anchorage will also pledge its full faith and credit for payment of the debt.

(No. AO 2013-135)

Section 4. Submission of Question to Voters. The proposition, both for paper ballots and machine ballots, shall be printed on a ballot which may set forth other general obligation bond propositions, and the following words shall be added as appropriate and next to a square provided for marking the ballot or voting by a machine:

PROPOSITION NO. _____

BONDS, YES ☐

BONDS, NO ☐

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 1, 2014. 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 _____, 2013.

By _____
Chair of the Assembly

ATTEST:

Municipal Clerk