

Submitted by: Chairman of the Assembly at the
Request of the Anchorage School
District
Prepared by: Wohlforth, Argetsinger, Johnson
& Brecht
For Reading: January 27, 1998

MUNICIPALITY OF ANCHORAGE

ALASKA

ORDINANCE NO. AO 98-6

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED THIRTY-SIX MILLION SIX HUNDRED THOUSAND DOLLARS (\$36,600,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF EDUCATIONAL CAPITAL IMPROVEMENTS IN THE MUNICIPALITY OF ANCHORAGE AT AN ELECTION IN AND FOR THE MUNICIPALITY OF ANCHORAGE ON APRIL 21, 1998.

THE ANCHORAGE ASSEMBLY HEREBY ORDAINS:

Section 1. It is hereby determined to be for a public purpose and in the public interest of the Municipality of Anchorage (the "Municipality") to incur general obligation bonded indebtedness in an amount not to exceed Thirty-Six Million Six Hundred Thousand Dollars (\$36,600,000), for the purpose of paying the costs of planning, designing, acquiring property for, site preparation, constructing, acquiring, renovating, installing and equipping educational capital improvement projects within the Municipality including, but not limited to, the following:

	<u>Project</u>	<u>Estimated Cost</u>	<u>Estimated Annual Operation and Maintenance Cost</u>
1	Districtwide Underground Storage Tanks:	\$1,800,000	
	<i>Tank removal</i> -Baxter, Chester Valley, Chugiak, Creekside Park, Fairview, Homestead, Inlet View, Muldoon, Nunaka Valley, Scenic Park, Tudor and Turnagain Elementary Schools; Central Middle School; Data Processing		
	<i>Underground Storage Tank Release Investigations/Remediation</i> -Bear Valley, Campbell, Fire Lake, Girdwood, North Star Elementary Schools; Facilities/Maintenance, Student Transportation		

	<u>Project</u>	<u>Estimated Cost</u>	<u>Estimated Annual Operation and Maintenance Cost</u>
2.	Districtwide Heating and Ventilation Upgrades: Bear Valley, Fire Lake, Homestead, Klatt, Mr. View, Ravenwood, Spring Hill Elementary Schools	1,700,000	
3.	Districtwide Electrical Safety and System Upgrades: Abbott Loop, Airport Heights, Bayshore, Chugach Optional, Chugiak, Eagle River, Homestead, Lake Otis, O'Malley, Rogers Park, Rabbit Creek, Russian Jack, Sand Lake, Tudor, Turnagain and Gladys Wood Elementary Schools; Clark and Wendler Middle Schools; Bartlett and East High Schools	3,250,000	
4.	Districtwide Facility Audits and Project Planning: Chester Valley, Chugach Optional, Government Hill, Inlet View, Rabbit Creek, Sand Lake and Turnagain Elementary Schools	350,000	
5.	Districtwide Asbestos, Code and Life Safety	500,000	
6.	Districtwide Playground Safety and Equipment Upgrades - Phase II: Airport Heights, Bayshore, Bear Valley, Birchwood, Bowman, Chinook, Chugach Optional, Chugiak, Eagle River, Fire Lake, Huffman, Inlet View, Lake Otis, O'Malley, Rabbit Creek, Ravenwood, Russian Jack, Sand Lake and Gladys Wood Elementary Schools	2,000,000	
7.	Bartlett High School Roof Repair	2,700,000	
8.	Baxter Elementary School - Renovation and Addition	9,700,000	\$48,400
9.	Creekside Park Elementary School - Renovation and Addition	8,700,000	50,750
10.	Ocean View Elementary School - Renovation and Addition	5,900,000	42,200

Section 2. The sum of not to exceed Thirty-Six Million Six Hundred Thousand Dollars (\$36,600,000) shall be borrowed by, for and on behalf of the Municipality for the

1 aforesaid school capital improvements and shall be evidenced by the issuance of
2 general obligation bonds of the Municipality. The bond proceeds shall be used for
3 capital improvements only. The full faith and credit of the Municipality is pledged for the
4 payment of the principal of and interest on the bonds, and ad valorem taxes upon all
5 taxable property in the Municipality shall be levied without limitation as to rate or amount
6 to pay the principal of and interest on the bonds when due.

7 Section 3. An election is to be held on April 21, 1998, in and for the Municipality
8 of Anchorage, for the purpose of submitting a general obligation bond proposition to the
9 qualified voters of the Municipality for approval or rejection. The proposition must
10 receive a majority vote of those in the Municipality voting on the question to be
11 approved. The proposition shall be substantially in the following form:

12 PROPOSITION NO. _____

13 EDUCATIONAL CAPITAL IMPROVEMENT BONDS

14 Shall Anchorage borrow up to Thirty-Six Million Six Hundred
15 Thousand Dollars (\$36,600,000) through the issuance of
16 general obligation bonds to pay costs of planning, designing,
17 acquiring property for, site preparation, constructing, acquiring,
18 renovating, installing and equipping educational capital
19 improvement projects within Anchorage including, but not
20 limited to, the following:

		Estimated	Estimated Annual
	<u>Project</u>	<u>Cost</u>	<u>Operation and</u>
			<u>Maintenance Cost</u>
20	1 Districtwide Underground Storage Tanks:	\$1,800,000	
	<i>Tank removal</i> -Baxter, Chester Valley,		
21	Chugiak, Creekside Park, Fairview,		
	Homestead, Inlet View, Muldoon, Nunaka		
22	Valley, Scenic Park, Tudor and		
	Turnagain Elementary Schools; Central		
23	Middle School; Data Processing		
	<i>Underground Storage Tank Release</i>		
24	<i>Investigations/Remediation</i> -Bear Valley,		
	Campbell, Fire Lake, Girdwood, North		
25	Star Elementary Schools; Facili-		
	ties/Maintenance, Student Transportation		
26			
27			

	<u>Project</u>	<u>Estimated Cost</u>	<u>Estimated Annual Operation and Maintenance Cost</u>
2.	Districtwide Heating and Ventilation Upgrades: Bear Valley, Fire Lake, Homestead, Klatt, Mr. View, Ravenwood, Spring Hill Elementary Schools	1,700,000	
3.	Districtwide Electrical Safety and System Upgrades: Abbott Loop, Airport Heights, Bayshore, Chugach Optional, Chugiak, Eagle River, Homestead, Lake Otis, O'Malley, Rogers Park, Rabbit Creek, Russian Jack, Sand Lake, Tudor, Turnagain and Gladys Wood Elementary Schools; Clark and Wendler Middle Schools; Bartlett and East High Schools	3,250,000	
4.	Districtwide Facility Audits and Project Planning: Chester Valley, Chugach Optional, Government Hill, Inlet View, Rabbit Creek, Sand Lake and Turnagain Elementary Schools	350,000	
5.	Districtwide Asbestos, Code and Life Safety	500,000	
6.	Districtwide Playground Safety and Equipment Upgrades - Phase II: Airport Heights, Bayshore, Bear Valley, Birchwood, Bowman, Chinook, Chugach Optional, Chugiak, Eagle River, Fire Lake, Huffman, Inlet View, Lake Otis, O'Malley, Rabbit Creek, Ravenwood, Russian Jack, Sand Lake and Gladys Wood Elementary Schools	2,000,000	
7.	Bartlett High School Roof Repair	2,700,000	
8.	Baxter Elementary School - Renovation and Addition	9,700,000	\$48,400
9.	Creekside Park Elementary School - Renovation and Addition	8,700,000	50,750
10.	Ocean View Elementary School - Renovation and Addition	5,900,000	42,200
The annual increase in taxes on \$100,000 of assessed real and personal property value (based on the estimated 1998			

assessed valuation) necessary to retire the proposed debt is \$22.30.

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

THERE IS NO PROGRAM FOR STATE REIMBURSEMENT TO ANCHORAGE FOR DEBT SERVICE ON THESE BONDS. If legislation were enacted to establish such a program Anchorage would seek reimbursement pursuant to the terms of such legislation.

(No. AO 98-__)

Section 4. 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 for voting by a machine:

PROPOSITION NO. Yes ()

No ()

Section 5. 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 on April 21, 1998. The remaining sections of this Ordinance shall become effective upon passage and approval.

PASSED AND APPROVED by the Assembly of Anchorage, Alaska, this day of February 1998.

Chairman

ATTEST:

Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 41-98

Meeting Date: January 27, 1998

From: ANCHORAGE SCHOOL DISTRICT

Subject: AO 98-6 Two Ballot Propositions to
AO 98-7 Provide for the Issuance of
General Obligation Bonds for
Educational Capital Improve-
ments

The Anchorage School Board approved two ballot propositions to provide for the issuance of general obligation bonds for education-related capital projects on Monday, December 15, 1997: ASD Memorandum #140 (97-98), 1998 Proposed General Obligation Bond Package, as revised to include Proposed Bond Proposition I - 1998 Major Maintenance/Renovations/Additions Projects, \$36,600,000 and Proposed Bond Proposition II - 1998 New Construction Projects, \$25,000,000.

The School Board requests the Anchorage Assembly to place the two propositions on the April 21, 1998 ballot for consideration by qualified voters of the Municipality of Anchorage. The propositions are summarized as follows:

Proposition I: \$36,600,000

	Estimated Cost	Estimated Operations and Maintenance Cost
Major Maintenance/Renovations/Additions, including, but not limited to:		

Districtwide Underground Storage Tanks:	\$1,800,000
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Tank removal - Baxter, Chester Valley, Chugiak, Creekside Park, Fairview, Homestead, Inlet View, Muldoon, Nunaka Valley, Scenic Park, Tudor, and Turnagain Elementary Schools; Central Middle School; Data Processing

Underground Storage Tank Release Investigations/ Remediation - Bear Valley, Campbell, Fire Lake, Girdwood, and North Star Elementary Schools; Facilities/Maintenance; Student Transportation

1 Districtwide Heating and Ventilation Upgrades: \$1,700,000

2
3 Bear Valley, Fire Lake, Homestead, Klatt, Mt. View,
4 Ravenwood, and Spring Hill Elementary Schools
5

6 Districtwide Electrical Safety and System \$3,250,000
7 Upgrades:
8

9 Abbott Loop, Airport Heights, Bayshore, Chugach
10 Optional, Chugiak, Eagle River, Homestead, Lake
11 Otis, O'Malley, Rogers Park, Rabbit Creek, Russian
12 Jack, Sand Lake, Tudor, Turnagain, and Gladys
13 Wood Elementary Schools; Clark and Wendler
14 Middle Schools; Bartlett and East High Schools
15

16 Districtwide Facility Audits and Project \$350,000
17 Planning:
18

19 Chester Valley, Chugach Optional, Government
20 Hill, Inlet View, Rabbit Creek, Sand Lake, and
21 Turnagain Elementary Schools
22

23 Districtwide Asbestos, Code and Life Safety \$500,000
24

25 Districtwide Playground Safety and Equipment \$2,000,000
26 Upgrades - Phase II:
27

28 Airport Heights, Bayshore, Bear Valley, Birchwood,
29 Bowman, Chinook, Chugach Optional, Chugiak,
30 Eagle River, Fire Lake, Huffman, Inlet View, Lake
31 Otis, O'Malley, Rabbit Creek, Ravenwood, Russian
32 Jack, Sand Lake, and Gladys Wood Elementary
33 Schools
34

35 Bartlett High School Roof Repair \$2,700,000
36

37 Baxter Elementary School - Renovation \$9,700,000 \$48,400
38 and Addition
39

40 Creekside Park Elementary School - \$8,700,000 \$50,750
41 Renovation and Addition
42

43 Ocean View Elementary School - Renovation \$5,900,000 \$42,200
44 and Addition
45

46 The approximate annual amount of taxes on \$100,000 of assessed real and
47 personal property value (based on estimated total 1998 assessed valuation) to
48 pay these expenses is \$22.30.
49
50
51

Proposition II: \$25,000,000

New Construction:

Muldoon Elementary School Replacement	\$11,000,000	\$45,500
New Southeast Anchorage Elementary School	\$14,000,000	\$862,725

The approximate annual amount of taxes on \$100,000 of assessed real and personal property value (based on estimated total 1998 assessed valuation) to pay these expenses is \$15.20.

In addition, new taxes for the operation and maintenance (O & M) of the new or expanded school facilities included in the bond proposition will occur beginning in the first year a school is in operation. For a new facility this includes additional costs such as principal, special education teacher, physical education teacher, music teacher, art teacher, librarian, nurse, psychologist, special education teacher assistant, noon duty attendant, clerical, custodians, maintenance employee, utilities, and insurance. Costs such as regular classroom teachers are not considered as additional costs as they will be transferred over from the current overcrowded schools. For an addition to an existing facility or replacement facility, additional operation and maintenance costs generally include costs related to utilities, insurance, custodian, and maintenance employee depending on the number of square footage being added to the facility.

PROJECT DESCRIPTION SUMMARIES

Proposition I - Major Maintenance/Renovations/Additions

Bond Proposition I includes the removal and remediation of the District's remaining underground fuel storage tanks as referenced in Attachment A for \$1,800,000 as required for Federal Compliance.

Districtwide heating and ventilation upgrades are included for, but not limited to, Homestead, Mt. View and the five school prototypes that include Bear Valley, Fire Lake, Klatt, Ravenwood, and Spring Hill at \$1,700,000. Preliminary designs are available for these elementary school projects.

Districtwide electrical safety and system improvements are included for, but not limited to, Bartlett and East High Schools, Clark and Wendler Middle Schools. In addition, the electrical capacity would be upgraded at 16 elementary schools. This increased service capacity would support the electrical requirements of technology. These schools are listed in Attachment A.

Districtwide facility audits and project planning is essential for development of accurate scope and cost estimates for future projects. Scheduled schools include, but not limited to, Chester Valley, Chugach Optional, Government Hill, Inlet View, Rabbit Creek, Sand Lake, and Turnagain Elementary Schools at \$350,000.

1 These schools are identified from Retrofit Study ranking and capacity
2 projections.

3
4 Other Bond Proposition I items would include on-going funding for Districtwide
5 asbestos, code, and life safety issues at \$500,000.

6
7 This Proposition also will fund Phase II Districtwide Playground Safety and
8 Equipment Upgrades. This will bring the remaining group of elementary schools
9 to District safety and minimum equipment standards. These schools include, but
10 are not limited to, Airport Heights, Bayshore, Bear Valley, Birchwood, Bowman,
11 Chinook, Chugach Optional, Chugiak, Eagle River, Fire Lake, Huffman, Inlet
12 View, Lake Otis, O'Malley, Rabbit Creek, Ravenwood, Russian Jack, Sand Lake,
13 and Gladys Wood Elementary Schools. Earlier Phase I work was approved by
14 the voters in 1996.

15
16 The roof at Bartlett High School is in need of major repair and renewal. This
17 renewal and repair work is less expensive than a complete roof replacement with
18 funding for design and construction at \$2,700,000.

19
20 The Proposition additionally includes major renovation and additions for
21 elementary school construction at three sites. Work would include renovation
22 and addition increasing the size to 26 classrooms at Baxter and Ocean View, and
23 renovation and addition increasing the size to 24 classrooms at Creekside Park.
24 These schools are the next priority on the elementary school retrofit study list,
25 Attachment C. These projects have been planned through schematic design with
26 professional cost estimates funded from the 1997 bond election. Additional
27 information is provided in Attachment A.

28
29 The annual increase in taxes on \$100,000 of assessed real and personal property
30 value (based on the estimated 1998 assessed valuation) necessary to retire the
31 proposed debt of \$36,600,000 is \$22.30.

32 33 **Proposition II - New Construction**

34
35 Proposition II will replace the existing Muldoon Elementary School with a
36 prototype school. An independent professional evaluation determined that
37 replacement of this school is more cost efficient than renovation of the older
38 wood frame school. The replacement school would add seven additional
39 classrooms. A new elementary school is needed in Southeast Anchorage to
40 address the severe overcrowding in this area of town. By 2000 this area needs 27
41 additional classrooms. Even with this project, overcrowding is projected in this
42 area.

43
44 The annual increase in taxes on \$100,000 of assessed real and personal property
45 value (based on the estimated 1998 assessed valuation) necessary to retire the
46 proposed debt of \$25,000,000 is \$15.20.

47 48 **OTHER PERTINENT INFORMATION:**

49
50 These bond propositions may require 100 percent local participation. No State
51 reimbursement is available at this time. It will not be known until after the Bond

election if there will be State reimbursement. Should funding become available during this legislative session, it may be retroactive and reimbursement may be applied to applicable projects.

Secondary school construction is not recommended at this time as the District is developing the Districtwide High School Educational Specifications. The District will not have adequate information to support a specific high school project before the April 1998 Municipal Election. Preliminary planning and design is underway for Chugiak, Dimond, and Service High Schools. Project scope and cost information could be available for a Fall 1998 Bond election although Spring 1999 is a more reasonable timeline. Planning for Central and Wendler Middle Schools is awaiting program grade configuration for Anchorage bowl middle schools. Public input will be solicited in Spring 1998.

The project schedule from the District's Six-Year Capital Improvement Plan approved March 1997 is included in Attachment B. Funded work is highlighted. The School Board will update the entire CIP in March of this year. The Retrofit Study is included in Attachment C.

ESTIMATED COST OF BOND PROPOSALS TO THE LOCAL TAXPAYERS:

The following budget impact related to bond propositions approved by the School Board for submittal on the April 21, 1998 Municipal Election is based on an estimated 5.29 percent net interest rate for 20 years.

• Proposition I: Major Maintenance/Renovations/Additions		<u>\$36,600,000</u>
Local taxpayer cost per \$100,000 assessed valuation [1]		\$22.30
Tax increase for District:		
FY 1998-99		\$960,750
FY 1999-00 and each of the remaining years on the 20-year bond.		\$2,973,150
• Proposition II: New Construction		<u>\$25,000,000</u>
Local taxpayer cost per \$100,000 assessed valuation [1]		\$15.20
Tax increase for District:		
FY 1998-99		\$656,250
FY 1999-00 and each of the remaining years on the 20-year bond		\$2,028,206
• Total Amount If Both Propositions I and II Approved		<u>\$61,600,000</u>
Local taxpayer cost per \$100,000 assessed valuation [1]		\$37.50
Tax increase for District:		
FY 1998-99		\$1,617,000
FY 1999-00 and each of the remaining years on the 20-year bond		\$5,001,356

[1] Based on the assessed valuation of \$13,328,704,385 for the Municipality of Anchorage pursuant to the Office of Management and Budget of the Municipality of Anchorage as of January 16, 1998.

Information that has been provided in this memorandum should assist the Assembly in making decisions regarding placing the recommended bond propositions on the ballot for the April 21, 1998 Municipal Election.

Respectfully submitted,



Bob Christal
Superintendent

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Attachments