

*Postponed Indefinitely
3/16/99*

Submitted by: Chair Von Gemmingen and
Prepared by: Assemblymember Carlson
For Reading: Assembly Office
March 2, 1999

MUNICIPALITY OF ANCHORAGE

ALASKA

ORDINANCE NO. AO 99-14(S-2)

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED FOUR HUNDRED TWENTY-EIGHT MILLION SEVEN HUNDRED FORTY THOUSAND DOLLARS (\$428,740,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF EDUCATIONAL CAPITAL IMPROVEMENTS IN THE MUNICIPALITY OF ANCHORAGE AND THE QUESTION OF AN INCREASE IN THE MUNICIPAL TAX CAP LIMITATION TO PAY ASSOCIATED OPERATIONS AND MAINTENANCE COSTS AT AN ELECTION IN AND FOR THE MUNICIPALITY OF ANCHORAGE ON APRIL 20, 1999.

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 **Two Hundred Fifty-Eight Million Five Hundred Ninety Thousand Dollars (\$258,590,000)**, 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 which include, but are not limited to, the projects listed below. The authority to issue the general obligation school bonds will be exercised (i) not earlier than the years indicated below, and (ii) in an amount not greater than the total principal amount for the designated year and preceding years. The use of proceeds of the aforementioned bonds to finance the costs of projects listed in the table under "Reimbursement Projects" will occur only if, and to the extent that, such projects qualify for at least 50% debt service reimbursement under Alaska Statutes 14.11.100, as the same may be amended from time to time.

Year - 2000

		Estimated Project Cost (Principal)	Estimated Interest	Estimated Principal and Interest Paid by the State (50%)	Estimated Principal and Interest Paid by Anchorage	Estimated Annual Operation and Maintenance Cost
Project						
Reimbursement Projects						
1.	Service High School - Renovation, Phase I	\$7,140,000	\$4,366,996	\$5,753,498	\$5,753,498	\$0
2.	Wendler Middle School - Renovation	15,300,000	9,357,848	12,328,924	12,328,924	0
3.	Denali K-8 School - Replacement	11,730,000	7,174,350	9,452,175	9,452,175	0
4.	New Muldoon Area Middle School	40,800,000	24,954,258	32,877,129	32,877,129	1,725,300
5.	Central Middle School - Renovation	3,000,000	1,834,874	2,417,437	2,417,437	0
Non-Reimbursement Projects						
6.	Districtwide Renewal and Replace- ment/ADA/Code	6,160,000	3,767,603	0	9,927,603	0
7.	New Eagle River Area Secondary School Design	3,060,000	1,871,570	0	4,931,570	0

Total principal amount will not exceed \$87,190,000.

Year - 2001

		Estimated Project Cost (Principal)	Estimated Interest	Estimated Principal and Interest Paid by the State (50%)	Estimated Principal and Interest Paid by Anchorage	Estimated Annual Operation and Maintenance Cost
Project						
Reimbursement Projects						
	Chugiak High School - Renovation, Phases II and III	\$20,805,000	\$12,728,034	\$16,766,517	\$16,766,517	\$0
2.	East High School - Renovation, Phase I	10,405,000	6,365,546	8,385,273	8,385,273	0
3.	Bartlett High School - Renovation, Phase I	10,405,000	6,365,546	8,385,273	8,385,273	0
4.	Service High School - Renovation, Phase II	12,485,000	7,638,044	10,061,522	10,061,522	0
5.	Polaris K-12 School - Renovation and Addition	6,245,000	3,820,552	5,032,776	5,032,776	0
6.	Chugach Optional Elementary School - Renovation	2,080,000	1,272,498	1,676,249	1,676,249	0

<u>Project</u>	<u>Estimated Project Cost (Principal)</u>	<u>Estimated Interest</u>	<u>Estimated Principal and Interest Paid by the State (50%)</u>	<u>Estimated Principal and Interest Paid by Anchorage</u>	<u>Estimated Annual Operation and Maintenance Cost</u>
7. Chester Valley Elementary School Renovation	1,560,000	954,372	1,257,186	,257,186	0
8. Inlet View Elementary School - Renovation	3,120,000	1,908,746	2,514,373	2,514,373	0
9. Rabbit Creek Elementary School - Renovation	1,350,000	825,900	1,087,950	1,087,950	0
10. Turnagain Elementary School - Renovation	3,150,000	,927,100	2,538,550	2,538,550	0
11. New ABC School - New Construction	15,605,000	9,546,790	12,575,895	12,575,895	,025,150
Non-Reimbursement Projects					
12. Districtwide Renewal and Replacement/ADA/Code	8,325,000	5,093,049	0	13,418,049	

Total principal amount will not exceed \$95,535,000.

Year - 2002

<u>Project</u>	<u>Estimated Project Cost (Principal)</u>	<u>Estimated Interest</u>	<u>Estimated Principal and Interest Paid by the State (50%)</u>	<u>Estimated Principal and Interest Paid by Anchorage</u>	<u>Estimated Annual Operation and Maintenance Cost</u>
Reimbursement Projects					
1. East High School - Renovation, Phase II	\$10,715,000	\$6,554,808	\$8,634,904	\$8,634,904	\$0
2. Bartlett High School - Renovation, Phase II	10,715,000	6,554,808	8,634,904	8,634,904	0
3. Service High School - Renovation, Phase III	8,575,000	5,245,682	6,910,341	6,910,341	0
4. O'Malley Elementary School Renovation	320,000	195,758	257,879	257,879	0
5. Sand Lake Elementary School - Renovation	1,070,000	654,564	862,282	862,282	0
6. Eagle River Elementary School - Renovation	3,215,000	1,966,748	2,590,874	2,590,874	0
7. Airport Heights Elementary School - Renovation	2,680,000	1,639,468	2,159,734	2,159,734	0

		Estimated	Estimated	Estimated	Estimated	Estimated
		Project Cost	Interest	Principal and	Principal and	Annual
		(Principal)		by the State	Interest Paid	Operation
				(50%)	by Anchorage	and
						Maintenance
						Cost
<u>Project</u>						
Non-Reimbursement Projects						
8.	Districtwide Renewal and Replacement/ADA/Code	8,575,000	5,245,681	0	13,820,681	0
9.	New Eagle River Area Secondary School Construction	30,000,000	18,352,239	0	48,352,239	,701,250

Total principal amount will not exceed \$75,865,000.

Section 2. The sum of not to exceed **Two Hundred Fifty-Eight Million Five Hundred Ninety Thousand Dollars (\$258,590,000)** shall be borrowed by, for and on behalf of the Municipality for the aforesaid school capital improvements and shall be evidenced by the issuance of general obligation bonds of the Municipality. The bond proceeds shall be used only for capital improvements and costs of issuance of the bonds. The full faith and credit of the Municipality is pledged for the payment of the principal of and interest on the bonds, and ad valorem taxes upon all taxable property in the Municipality shall be levied without limitation as to rate or amount to pay the principal of and interest on the bonds when due.

Section 3. An election is to be held on April 20, 1999, in and for the Municipality of Anchorage, for the purpose of submitting a general obligation bond proposition to the qualified voters of the Municipality for approval or rejection. The proposition must receive a majority vote of those in the Municipality voting on the question to be approved. The proposition shall be substantially in the following form:

SUMMARY

This bond proposition authorizes Anchorage to issue general obligation bonds in an amount not to exceed **\$258,590,000** for educational capital improvements. Voter authorization permits Anchorage to issue general obligation bonds in the principal amount of, (i) \$87,190,000 in year 2000, (ii) \$95,535,000 in year 2001, and (iii) \$75,865,000 in year 2002. If the bonds are not issued in the designated year, such bonds may be issued at a later date. Approval of this bond proposition also permits Anchorage to raise the Municipal

Anchorage will issue bonds to finance the "Reimbursement Projects," as shown in the ballot proposition below, only if such "Reimbursement Projects" will qualify under the State of Alaska's program for debt reimbursement, which provides for payment of a percentage of the principal and interest on the bonds issued. Actual payment for debt reimbursement from the State of Alaska is subject to annual legislative appropriations.

EDUCATIONAL CAPITAL IMPROVEMENT BONDS

The general obligation bond proceeds will pay costs of planning, designing, acquiring property for, site preparation, constructing, acquiring, renovating, installing and equipping educational capital improvement projects within Anchorage. The increase in the municipal tax cap will pay for operations and maintenance costs related to the proposed educational capital improvements.

The proposed bonds will be issued no earlier than the designated year and in an amount no greater than the total principal amount for the designated year and preceding years, as described below, to finance the costs of the proposed educational capital improvement projects which include, but are not limited to, the following:

<u>Project</u>	<u>Estimated Project Cost (Principal)</u>	<u>Estimated Interest</u>	<u>Estimated Principal and Interest Paid by the State (50%)</u>	<u>Estimated Principal and Interest Paid by Anchorage</u>	<u>Estimated Annual Operation and Maintenance Cost</u>
Reimbursement Projects					
Service High School - Renovation, Phase I	\$7,140,000	\$4,366,996	\$5,753,498	\$5,753,498	\$0
Wendler Middle School - Renovation	15,300,000	9,357,848	12,328,924	12,328,924	0
Denali K-8 School - Replacement	11,730,000	7,174,350	9,452,175	9,452,175	0
New Muldoon Area Middle School	40,800,000	24,954,258	32,877,129	32,877,129	1,725,300
Central Middle School - Renovation	3,000,000	1,834,874	2,417,437	2,417,437	0

<u>Project</u>	<u>Estimated Project Cost (Principal)</u>	<u>Estimated Interest</u>	<u>Estimated Principal and Interest Paid by the State (50%)</u>	<u>Estimated Principal and Interest Paid by Anchorage</u>	<u>Estimated Annual Operation and Maintenance Cost</u>
Non-Reimbursement Projects					
6. Districtwide Renewal and Replacement/ADA/Code	6,160,000	3,767,603	0	9,927,603	0
7. New Eagle River Area Secondary School Design	3,060,000	1,871,570	0	4,931,570	0

Total principal amount will not exceed \$87,190,000.

Year - 2001

<u>Project</u>	<u>Estimated Project Cost (Principal)</u>	<u>Estimated Interest</u>	<u>Estimated Principal and Interest Paid by the State (50%)</u>	<u>Estimated Principal and Interest Paid by Anchorage</u>	<u>Estimated Annual Operation and Maintenance Cost</u>
Reimbursement Projects					
Chugiak High School - Renovation, Phases II and III	\$20,805,000	\$12,728,034	\$16,766,517	\$16,766,517	\$0
2. East High School - Renovation, Phase I	10,405,000	6,365,546	8,385,273	8,385,273	0
3. Bartlett High School - Renovation, Phase I	10,405,000	6,365,546	8,385,273	8,385,273	0
4. Service High School - Renovation, Phase II	12,485,000	7,638,044	10,061,522	10,061,522	0
5. Polaris K-12 School - Renovation and Addition	6,245,000	3,820,552	5,032,776	5,032,776	0
6. Chugach Optional Elementary School - Renovation	2,080,000	,272,498	1,676,249	1,676,249	0
7. Chester Valley Elementary School - Renovation	1,560,000	954,372	1,257,186	1,257,186	0
8. Inlet View Elementary School Renovation	3,120,000	1,908,746	2,514,373	2,514,373	0
9. Rabbit Creek Elementary School - Renovation	1,350,000	825,900	1,087,950	1,087,950	0
10. Turnagain Elementary School - Renovation	3,150,000	1,927,100	2,538,550	2,538,550	0
11. New ABC School - New Construction	15,605,000	9,546,790	12,575,895	12,575,895	1,025,150

	<u>Project</u>	<u>Estimated Project Cost (Principal)</u>	<u>Estimated Interest</u>	<u>Estimated Principal and Interest Paid by the State (50%)</u>	<u>Estimated Principal and Interest Paid by Anchorage</u>	<u>Estimated Annual Operation and Maintenance Cost</u>
	Non-Reimbursement Projects					
12.	Districtwide Renewal and Replacement/ADA/Code	8,325,000	5,093,049	0	13,418,049	0

Total principal amount will not exceed \$95,535,000.

Year - 2002

	<u>Project</u>	<u>Estimated Project Cost (Principal)</u>	<u>Estimated Interest</u>	<u>Estimated Principal and Interest Paid by the State (50%)</u>	<u>Estimated Principal and Interest Paid by Anchorage</u>	<u>Estimated Annual Operation and Maintenance Cost</u>
	Reimbursement Projects					
	East High School - Renovation, Phase II	\$10,715,000	\$6,554,808	\$8,634,904	\$8,634,904	\$0
2.	Bartlett High School - Renovation, Phase II	10,715,000	6,554,808	8,634,904	8,634,904	0
3.	Service High School - Renovation, Phase III	8,575,000	5,245,682	6,910,341	6,910,341	0
4.	O'Malley Elementary School Renovation	320,000	195,758	257,879	257,879	0
5.	Sand Lake Elementary School Renovation	1,070,000	654,564	862,282	862,282	
6.	Eagle River Elementary School Renovation	3,215,000	1,966,748	2,590,874	2,590,874	0
7.	Airport Heights Elementary School Renovation	2,680,000	1,639,468	2,159,734	2,159,734	0
	Non-Reimbursement Projects					
8	Districtwide Renewal and Replacement/ADA/Code	8,575,000	5,245,681	0	13,820,681	0
9.	New Eagle River Area Secondary School Construction	30,000,000	18,352,239	0	48,352,239	1,701,250

Total principal amount will not exceed \$75,865,000

Voter approval of this bond proposition authorizes for each \$100,000 of assessed real and personal property value (based on the estimated 1999 assessed valuation) an annual increase

1 in the municipal tax cap (Charter 14.03(b)(2)) of **\$30.97** to pay
2 for annual operation and maintenance costs related to the
3 proposed educational capital improvements.

4 Voter approval of this bond proposition also authorizes for
5 each \$100,000 of assessed real and personal property value
6 (based on the estimated 1999 assessed valuation) an annual
7 increase in taxes of **\$88.58** to retire the proposed bond
8 indebtedness.

9 No bonds will be issued, however, to finance costs of projects
10 listed under "Reimbursement Projects" above unless and until
11 such projects qualify for at least 50% State of Alaska debt
12 service reimbursement under existing or new legislation.
13 Receipt of State reimbursement is subject to legislative
14 appropriations.

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

18 (No. AO 99-__)

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

23 PROPOSITION NO.

Yes ☐

No ☐

24 Section 5. Section 2 of this Ordinance shall become effective only if the proposition
25 described in Section 3 is approved by a majority of the qualified voters voting on the
26 proposition at the regular election on April 20, 1999. The remaining sections of this
27 Ordinance shall become effective upon passage and approval.

PA. D AND APPROV D by th Assembly of Anchorage Alaska th

d:

Chair

ATT T

Municipal Clerk