3/2/99 Failed

Submitted by:

Assemblymember Kendall

Prepared by: Assembly Office For Reading: February 2, 1999

### MUNICIPALITY OF ANCHORAGE

#### ALASKA

#### ORDINANCE NO. AO 99-16

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED **FOUR HUNDRED SIXTY-THREE MILLION SIX HUNDRED EIGHTY THOUSAND DOLLARS (\$463,680,000)** 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 Four Hundred Sixty-Three Million Six Hundred Eighty Thousand Dollars (\$463,680,000), 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.

1			v	4000			
2			<u> 1</u>	ear - 1999			Estimated
3					Estimated Principal and	Estimated	Annual Operation
4		Period	Estimated Project Cost	Estimated	Interest Paid by the State	Principal and Interest Paid	and Maintenance
5		<u>Project</u> Reimbursement Projects	(Principal)	Interest	<u>(70%)</u>	by Anchorage	Cost
6		Dimond High School -					
7		Replacement Construction	\$60,160,000	\$36,796,332	\$67,869,432	\$29,086,900	\$0
8	2.	South Anchorage Area High School - New School Construction	62,359,800	38,141,818	70,351,133	30,150,485	3,032,500
9	3.	Chugiak High School - HVAC, Electrical and Fire Upgrades	2,831,089	,731,610	3,193,889	1,368,810	7 <b>0</b>
10		Non-Reimbursement Projects					
11	4.	Government Hill Elementary School Addition and Renovation	9,800,000	5,994,082	0	15,794,082	104,650
12	5.	Russian Jack Elementary School - Replacement	9,000,000	5,510,911	0	14,510,911	· <b>O</b> .
13	6.	Districtwide HVAC	3,050,000	,865,505	0	4,915,505	0
14	7.	Districtwide Roof Repairs	2,900,000	1,773,760	0	4,673,760	0
15	8.	Electrical Support for Elementary Schools	400,000	244,658	0	644,658	0
16	9.	Dimond High School - Replacement Design and Demolition	7,840,000	4,795,265	0	12,635,265	.0
17	10.	New South Anchorage Area High School Design and Site Improvement	5,640,200	3,449,779	0	9,089,979	Ó.
18	11	Chugiak High School - Renovation,	, .				
19		Phase I, House 2	7,168,911	4,384,800	0	11,553,711	• 0
20		Total prin	ncipal amount will	not exceed \$17	1,150,000.		
21							
22							

1			<u>Y</u>	ear - 2000			
2							Estimated
3			Estimated		Estimated Principal and Interest Paid	Estimated Principal and	Annual Operation and
4		<u>Project</u>	Project Cost (Principal)	Estimated Interest	by the State (50%)	Interest Paid by Anchorage	Maintenance Cost
5		Reimbursement Projects					_
6		Service High School - Renovation,					
7		Phase I	\$7,140,000	\$4,366,898	\$5,753,449	\$5,753,449	<b>\$</b> 0
	2.	Wendler Middle School - Renovation	15,300,000	9,357,636	12,328,818	12,328,818	0
8	3.	Denali K-8 School - Replacement	11,730,000	7,174,186	9,452,093	9,452,093	41,150
9	4.	New Muldoon Area Middle School	40,800,000	24,953,694	32,876,847	32,876,847	1,725,300
10	5.	Non-Reimbursement Projects  Districtwide Renewal and Replace-					
11	_	ment/ADA/Code	8,160,000	4,990,739	Ö	13,150,739	
12	6.	New Eagle River Area Secondary School Design	5,640,200	3,449,899	0	9,090,099	
13		Total p	rincipal amount wil	I not exceed \$88	3,770,200.		
14			<u>Y</u>	ear - 2001			
							Estimated
15 16			Estimated Project Cost	Estimated	Estimated Principal and Interest Paid	Estimated Principal and	Annual Operation and
		<u>Project</u>	Estimated Project Cost (Principal)	Estimated <u>Interest</u>	Principal and		Operation
16 17		<u>Project</u> Reimbursement Projects	Project Cost		Principal and Interest Paid by the State	Principal and Interest Paid	Operation and Maintenance
16		<del></del>	Project Cost		Principal and Interest Paid by the State	Principal and Interest Paid	Operation and Maintenance
16 17 18	2.	Reimbursement Projects Chugiak High School - Renovation,	Project Cost (Principal)	Interest	Principal and Interest Paid by the State (50%)	Principal and Interest Paid by Anchorage	Operation and Maintenance <u>Cost</u>
16 17 18 19	<b>2</b> . <b>3</b> .	Reimbursement Projects Chugiak High School - Renovation, Phases II and III East High School - Renovation,	Project Cost (Principal) \$20,805,000	Interest \$12,728,034	Principal and Interest Paid by the State (50%)	Principal and Interest Paid by Anchorage \$16,766,517	Operation and Maintenance <u>Cost</u> \$0
16 17 18 19 20		Reimbursement Projects Chugiak High School - Renovation, Phases II and III East High School - Renovation, Phase I Bartlett High School - Renovation,	Project Cost (Principal) \$20,805,000 10,405,000	Interest \$12,728,034 6,365,546	Principal and Interest Paid by the State (50%) \$16,766,517 8,385,273	Principal and Interest Paid by Anchorage \$16,766,517 8,385,273	Operation and Maintenance Cost  \$0
16 17 18 19 20 21	3.	Reimbursement Projects  Chugiak High School - Renovation, Phases II and III  East High School - Renovation, Phase I  Bartlett High School - Renovation, Phase I  Service High School - Renovation, Phase II	Project Cost (Principal) \$20,805,000 10,405,000	Interest \$12,728,034 6,365,546	Principal and Interest Paid by the State (50%) \$16,766,517 8,385,273	Principal and Interest Paid by Anchorage \$16,766,517 8,385,273	Operation and Maintenance Cost \$0
16 17 18 19 20 21 22	3.	Reimbursement Projects  Chugiak High School - Renovation, Phases II and III  East High School - Renovation, Phase I  Bartlett High School - Renovation, Phase I  Service High School - Renovation,	Project Cost (Principal) \$20,805,000 10,405,000	\$12,728,034 6,365,546 6,365,546	Principal and Interest Paid by the State (50%) \$16,766,517 8,385,273 8,385,273	Principal and Interest Paid by Anchorage \$16,766,517 8,385,273 8,385,273	Operation and Maintenance Cost  \$0 0
16 17 18 19 20 21 22 23	3. 4.	Reimbursement Projects  Chugiak High School - Renovation, Phases II and III  East High School - Renovation, Phase I  Bartlett High School - Renovation, Phase I  Service High School - Renovation, Phase II  Polaris K-12 School - Renovation and	Project Cost (Principal) \$20,805,000 10,405,000 10,405,000 12,485,000	\$12,728,034 6,365,546 6,365,546 7,638,044	Principal and Interest Paid by the State (50%) \$16,766,517 8,385,273 8,385,273 10,061,522	Principal and Interest Paid by Anchorage \$16,766,517 8,385,273 8,385,273 10,061,522	Operation and Maintenance Cost  \$0 0
16 17 18 19 20 21 22 23 24 25 26	3. 4. 5.	Reimbursement Projects  Chugiak High School - Renovation, Phases II and III  East High School - Renovation, Phase I  Bartlett High School - Renovation, Phase I  Service High School - Renovation, Phase II  Polaris K-12 School - Renovation and Addition  Chugach Optional Elementary School	Project Cost (Principal)  \$20,805,000  10,405,000  10,405,000  12,485,000  6,245,000	\$12,728,034 6,365,546 6,365,546 7,638,044 3,820,552	Principal and Interest Paid by the State (50%) \$16,766,517  8,385,273  8,385,273  10,061,522  5,032,776	Principal and Interest Paid by Anchorage \$16,766,517 8,385,273 8,385,273 10,061,522 5,032,776	Operation and Maintenance Cost  \$0 0 0
16 17 18 19 20 21 22 23 24 25	3. 4. 5. 6. 7.	Reimbursement Projects  Chugiak High School - Renovation, Phases II and III  East High School - Renovation, Phase I  Bartlett High School - Renovation, Phase I  Service High School - Renovation, Phase II  Polaris K-12 School - Renovation and Addition  Chugach Optional Elementary School Renovation  Chester Valley Elementary School -	Project Cost (Principal)  \$20,805,000  10,405,000  10,405,000  12,485,000  6,245,000  2,080,000	\$12,728,034 6,365,546 6,365,546 7,638,044 3,820,552 1,272,498	Principal and Interest Paid by the State (50%) \$16,766,517  8,385,273  8,385,273  10,061,522  5,032,776  1,676,249	Principal and Interest Paid by Anchorage  \$16,766,517  8,385,273  8,385,273  10,061,522  5,032,776  1,676,249	Operation and Maintenance Cost  \$0 0 0 0

1			<u>Y</u> .	ear - 2001			
2	8.	Inlet View Elementary School -					
3		Renovation	3,120,000	,908,746	2,514,373	2,514,373	O
4	9.	Rabbit Creek Elementary School - Renovation	1,350,000	825,900	1,087,950	1,087,950	0
	10.	Turnagain Elementary School -					
5		Renovation	3,150,000	1,927,100	2,538,550	2,538,550	,0
6	11.	New ABC School - New Construction	15,605,000	9,546,790	12,575,895	12,575,895	1,025,150
7	10	Non-Reimbursement Projects					
0	12.	Districtwide Renewal and Replacement/ADA/Code	8,325,000	5,093,049	0	13,418,049	0
8					_	,,	•
9		i otal p	rincipal amount wil		,535,000.		
10			<u>16</u>	ear - 2002			Fationatad
11					Estimated Principal and	Estimated	Estimated Annual Operation
12			Estimated Project Cost	Estimated	Interest Paid by the State	Principal and Interest Paid	and Maintenance
13		<u>Project</u>	(Principal)	Interest	(50%)	by Anchorage	Cost
1 4		Reimbursement Projects					
14 15		East High School - Renovation, Phase II	\$10,715,000	\$6,554,808	\$8,634,904	\$8,634,904	\$0
16	2.	Bartlett High School - Renovation, Phase II	10,715,000	6,554,808	8,634,904	8,634,904	0
17	3.	Service High School - Renovation, Phase III	8,575,000	5,245,682	6,910,341	6,910,341	o
18 19	4.	O'Malley Elementary School - Renovation	320,000	195,758	257,879	257,879	0
20	5.	Sand Lake Elementary School - Renovation	1,070,000	654,564	862,282	862,282	0
21	6.	Eagle River Elementary School Renovation	3,215,000	1,966,748	2,590,874	2,590,874	0
22	7.	Airport Heights Elementary School - Renovation	2,680,000	,639,468	2,159,734	2,159,734	0
23		Non-Reimbursement Projects					
24	8.	Districtwide Renewal and Replacement/ADA/Code	8,575,000	5,245,681	0	13,820,681	0
25							
26							
27							

9.

New Eagle River Area Secondary -

School Construction

Ordinance No. AO 99-16 AFF06662/3802.2386

#### Year - 2002

62,359,800 38,141,818

0 100,501,618

3.032.500

Total principal amount will not exceed \$108,224,800.

Section 2. The sum of not to exceed Four Hundred Sixty-Three Million Six Hundred Eighty Thousand Dollars (\$463,680,000) 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.

<u>Section 3</u>. 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:

## <u>SUMMARY</u>

This bond proposition authorizes Anchorage to issue general obligation bonds in an amount not to exceed \$463,680,000 for educational capital improvements. Voter authorization permits Anchorage to issue general obligation bonds in the principal amount of (i) \$171,150,000 in year 1999, (ii) \$88,770,200 in year 2000, (iii) \$95,535,000 in year 2001, and (iv) \$108,224,800 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 Tax Cap to pay for operations and maintenance costs related to the educational capital improvement projects.

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.

## PROPOSITION NO.

# **EDUCATIONAL CAPITAL IMPROVEMENT BONDS**

Shall Anchorage borrow up to \$463,680,000 through the issuance of general obligation bonds and increase the municipal tax cap by an amount up to \$8,961,250 to pay for associated annual operations and maintenance costs?

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:

#### Year - 1999

	<u>Project</u> Reimbursement Projects	Estimated Project Cost (Principal)	Estimated Interest	Estimated Principal and Interest Paid by the State (70%)	Estimated Principal and Interest Paid by Anchorage	Estimated Annual Operation and Maintenance Cost
	Dimond High School - Replacement Construction	\$60,160,000	\$36,796,332	<b>\$</b> 67,869,432	\$29,086,900	\$0
2.	South Anchorage Area High School - New School Construction	62,359,800	38,141,818	70,351,133	30,150,485	3,032,500
3.	Chugiak High School - HVAC, Elec- trical and Fire Upgrades	2,831,089	1,731,610	3,193,889	1,368,810	0
	Non-Reimbursement Projects					
4.	Government Hill Elementary School - Addition and Renovation	9,800,000	5,994,082	0.	15,794,082	104,650
5.	Russian Jack Elementary School - Replacement	9,000,000	5,510,911	0	14,510,911	0
6.	Districtwide HVAC	3,050,000	1,865,505	0	4,915,505	0
7.	Districtwide Roof Repairs	2,900,000	1,773,760	0	4,673,760	0

1			<u>y</u>	<u> 'ear - 1999</u>			
2	8.	Electrical Support for Elementary					
		Schools	400,000	244,658	0	644,658	0
3	9.	Dimond High School - Replacement					
4		Design and Demolition	7,840,000	4,795,265	0	12,635,265	<b>O</b>
_	10.	New South Anchorage Area High					
5		School Design and Site Improvement	5,640,200	3,449,779	0	9,089,979	,0
6	11	Chugiak High School - Renovation,					
		Phase I, House 2	7,168,911	4,384,800	0	11,553,711	0
7		Total pr	rincipal amount wil	I not exceed \$17	1.150.000		
8		,			.,,		
J			1	<u>ear - 2000</u>			
9					Estimated		Estimated Annual
10					Principal and	Estimated	Operation
10			Estimated		Interest Paid	Principal and	and
11		Project	Project Cost (Principal)	Estimated Interest	by the State (50%)	Interest Paid	Maintenance
12			(Finicipal)	interest	(30%)	by Anchorage	Cost
14		Reimbursement Projects					
13		Service High School - Renovation, Phase I	\$7,140,000	\$4,366,898	\$5,753,449	<b>\$</b> 5,7 <b>5</b> 3,449	\$0
14	2.	Wendler Middle School - Renovation					•
7.2			15,300,000	9,357,636	12,328,818	12,328,818	0
15	3.	Denali K-8 School - Replacement	11,730,000	7,174,186	9,452,093	9,452,093	41,150
16	4.	New Muldoon Area Middle School	40,800,000	24,953,694	32,876,847	32,876,847	,725,300
		Non-Reimbursement Projects					
17	<b>5</b> .	Districtwide Renewal and Replace-					
18		ment/ADA/Code	8,160,000	4,990,739	0	13,150,739	Ó
**	6.	New Eagle River Area Secondary		• • • • • • • •	_		_
19		School Design	5,640,200	3,449,899	0	9,090,099	0
20		Total pr	rincipal amount wi	Il not exceed \$88	,770,200.		
			<u>Y</u> 6	ear - 2001			
21							Estimated
22					Estimated		Annual
			Estimated		Principal and Interest Paid	Estimated  Scientification of	Operation
23			Project Cost	Estimated	by the State	Principal and Interest Paid	and Maintenance
24		Project	(Principal)	<u>Interest</u>	<u>(50%)</u>	by Anchorage	Cost
		Reimbursement Projects					
25	1,	Chugiak High School -Renovation,					
26		Phases II and III	\$20,805,000	\$12,728,034	\$16,766,517	<b>\$16,766,517</b>	\$0
20							
27							
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20	AFFU0002/38	UL.2300					i age i

1			Y	ear - 2001			
2	2.	East High School - Renovation, Phase I	10,405,000	6,365,546	8,385,273	8,385,273	0
3.	3.	Bartlett High School - Renovation,	10,405,000	0,505,540	0,303,273	0,303,273	U
4	_	Phase I	10,405,000	6,365,546	8,385,273	8,385,273	Ő
5	4.	Service High School - Renovation, Phase II	12,485,000	7,638,044	10,061,522	10,061,522	0
6	5.	Polaris K-12 School - Renovation and Addition	6,245,000	3,820,552	5,032,776	5,032,776	(O)
7	6.	Chugach Optional Elementary School - Renovation	2,080,000	1,272,498	1,676,249	1,676,249	0
8		Chester Valley Elementary School - Renovation	1,560,000	954,372	,257,186	1,257,186	0
10	8.	Inlet View Elementary School - Renovation	3,120,000	,908,746	2,514,373	2,514,373	0
11	9.	Rabbit Creek Elementary School - Renovation	1,350,000	825,900	1,087,950	,087,950	0
12	10.	Turnagain Elementary School -	1,000,000	020,500	1,007,000	,007,000	J
13		Renovation	3,150,000	1,927,100	2,538,550	2,538,550	
14	*11	New ABC School - New Construction  Non-Reimbursement Projects	15,605,000	9,546,790	12,575,895	12,575,895	1,025,150
15	12.	Districtwide Renewal and Replacement/ADA/Code	8,325,000	5,093,049	0	13,418,049	
16			ncipal amount will			,	
17		i otal pi		ear - 2002	,505,000.		
18					Estimated		Estimated Annual
19			Estimated		Principal and Interest Paid	Estimated Principal and	Operation and
20		<u>Project</u>	Project Cost (Principal)	Estimated Interest	by the State (50%)	Interest Paid by Anchorage	Maintenance <u>Cost</u>
21		Reimbursement Projects					
22		East High School - Renovation, Phase II	\$10,715,000	\$6,554,808	\$8,634,904	\$8,634,904	<b>\$</b> 0
23	2.	Bartlett High School - Renovation, Phase II	10,715,000	6,554,808	8,634,904	8,634,904	,0
24	3.	Service High School - Renovation, Phase III	8,575,000	5,245,682	6,910,341	6,910,341	0
25 26	4.	O'Malley Elementary School - Renovation	320,000	195,758	257,879	257,879	0
27							
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1			<u>Y</u> e	ear - 2002			
2	5.	Sand Lake Elementary School Renovation	1,070,000	654,564	862,282	862,282	Ö
3	6.	Eagle River Elementary School	1,070,000	004,304	002,202	002,202	·
4		Renovation	3,215,000	,966,748	2,590,874	2,590,874	0
5	7.	Airport Heights Elementary School Renovation	2,680,000	1,639,468	2,159,734	2,159,734	.0:
6		Non-Reimbursement Projects					
7	8.	Districtwide Renewal and Replacement/ADA/Code	8,575,000	5,245,681	<b>(0</b> )	13,820,681	0
8	9,	New Eagle River Area Secondary School Construction	62,359,800	38,141,818	0.	100,501,618	3,032,500
9		Total	principal amount will	not exceed \$108,	224,800		
10		Voter approval of th					
11		\$100,000 of assesse on the estimated 199	9 assessed va	lluation) an a	annual incre	ease	
12		in the municipal tax of for annual operation	and mainter	nance costs			
13		proposed educations	al capital impr	ovements.			
14		Voter approval of the each \$100,000 of as	nis bond prop sessed real a	osition <u>also</u> nd personal	authorizes property v	s for alue	

Voter approval of this bond proposition <u>also</u> authorizes for each \$100,000 of assessed real and personal property value (based on the estimated 1999 assessed valuation) an annual increase in taxes of **\$155.48** to retire the proposed bond indebtedness.

No bonds will be issued, however, to finance costs of projects listed under "Reimbursement Projects" above unless and until such projects qualify for State of Alaska debt service reimbursement under existing or new legislation. Receipt of State reimbursement is subject to legislative appropriations.

The debt will be paid first 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 99-\_\_)

1	Section 4. The proposition, both for paper ballots and machine ballots, shall be
2	printed on a ballot which may set forth other general obligation bond propositions, and the
3	following words shall be added as appropriate and next to a square provided for marking
4	the ballot or voting by a machine:
5	PROPOSITION NO. Yes □
6	No □
7	Section 5. Section 2 of this Ordinance shall become effective only if the proposition
8	described in Section 3 is approved by a majority of the qualified voters voting on the
9	proposition at the regular election on April 20, 1999. The remaining sections of this
10	Ordinance shall become effective upon passage and approval.
11	PASSED AND APPROVED by the Assembly of Anchorage, Alaska, this
12	day of February 1999.
13	
14	Chair
15	ATTEST:
L6	ATTEST.
<b>L7</b>	Municipal Clerk
18	Mullicipal Cierk
L9	
20	
21	
22	
23	
24	
25	
26	
27	