

Postponed Indefinitely
3/16/99

See AO 99-31(s)

Submitted by:
Prepared by:
For Reading:

Assemblymember Wuerch
Assembly Office
February 2, 1999

MUNICIPALITY OF ANCHORAGE

ALASKA

ORDINANCE NO. AO 99-31

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED **ONE HUNDRED SEVENTY-ONE MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS (\$171,150,000)** 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 **One Hundred Seventy-One Million One Hundred Fifty Thousand Dollars (\$171,150,000)**, 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 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 70% debt service reimbursement under Alaska Statutes 14.11.100, as the same may be amended from time to time.

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<u>Project</u>		<u>Estimated Project Cost (Principal)</u>	<u>Estimated Interest</u>	<u>Estimated Principal and Interest Paid by the State (70%)</u>	<u>Estimated Principal and Interest Paid by Anchorage</u>	<u>Estimated Annual Operation and Maintenance Cost</u>
Reimbursement Projects						
1.	Dimond High School - Replacement Construction	\$60,160,000	\$36,796,332	\$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 - Re- placement	9,000,000	5,510,911	0	14,510,911	0
6.	Districtwide HVAC	3,050,000	,865,505	0	4,915,505	0
7.	Districtwide Roof Repairs	2,900,000	1,773,760	0	4,673,760	0
8.	Electrical Support for Elementary Schools	400,000	244,658	0	644,658	0
9.	Dimond High School - Replacement Design and Demolition	7,840,000	4,795,265	0	12,635,265	0
10.	New South Anchorage Area High School Design and Site Improvement	5,640,200	3,449,779	0	9,089,979	0
11.	Chugiak High School - Renovation, Phase I, House 2	7,168,911	4,384,800	0	11,553,711	0

Total principal amount will not exceed \$171,150,000.

Section 2. The sum of not to exceed One Hundred Seventy-One Million One Hundred Fifty Thousand Dollars (\$171,150,000) 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 \$171,150,000 for educational capital improvements. 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 70% 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 \$171,150,000 through the issuance of general obligation bonds and increase the municipal tax cap by an amount up to \$3,137,150 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 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 (70%)</u>	<u>Estimated Principal and Interest Paid by Anchorage</u>	<u>Estimated Annual Operation and Maintenance Cost</u>
Reimbursement Projects						
	Dimond High School - Replacement Construction	\$60,160,000	\$36,796,332	\$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 - Re- placement	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
8.	Electrical Support for Elementary Schools	400,000	244,658	0	644,658	0
9.	Dimond High School - Replacement Design and Demolition	7,840,000	4,795,265	0	12,635,265	0
10.	New South Anchorage Area High School Design and Site Improvement	5,640,200	3,449,779	0	9,089,979	0
11	Chugiak High School - Renovation, Phase I, House 2	7,168,911	4,384,800	0	11,553,711	0

Total principal amount will not exceed \$171,150,000.

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 \$21.82 to pay
2 for annual operation and maintenance costs related to the
3 proposed educational capital improvements.
4

5 Voter approval of this bond proposition also authorizes for
6 each \$100,000 of assessed real and personal property value
7 (based on the estimated 1999 assessed valuation) an annual
8 increase in taxes of **\$46.95** to retire the proposed bond
9 indebtedness.
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11 No bonds will be issued, however, to finance costs of projects
12 listed under "Reimbursement Projects" above unless and until
13 such projects qualify for 70% debt service reimbursement from
14 the State of Alaska under existing or new legislation. Receipt
15 of State reimbursement is subject to legislative appropriations.
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17 The debt will be paid first from real and personal property
18 taxes levied and collected areawide in Anchorage. Anchorage
19 will also pledge its full faith and credit for payment of the debt.
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21 (No. AO 99-__)
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23 Section 4. The proposition, both for paper ballots and machine ballots, shall be
24 printed on a ballot which may set forth other general obligation bond propositions, and the
25 following words shall be added as appropriate and next to a square provided for marking
26 the ballot or voting by a machine:

27 PROPOSITION NO. Yes ☐

28 No ☐

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

33 PASSED AND APPROVED by the Assembly of Anchorage, Alaska, this
34 day of February 1999.
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38 _____
39 Chair

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41 ATTEST:
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44 _____
45 Municipal Clerk