

*Postponed Indefinitely
3/16/99*

See AO 99-41(S-1)

Submitted by:
Prepared by:
For Reading:

Assemblymember Wohlforth
Assembly Office
February 23, 1999

MUNICIPALITY OF ANCHORAGE

ALASKA

ORDINANCE NO. AO 99-41(S)

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-THREE MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS (\$173,150,000)** 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-Three Million One Hundred Fifty Thousand Dollars (\$173,150,000)** 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.

<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	,731,610	3,193,889	1,368,810	0
Non-Reimbursement Projects						
5.	Government Hill Elementary School - Addition and Renovation	9,800,000	5,994,082	0	15,794,082	104,650
6.	Russian Jack Elementary School - Replacement	8,000,000	4,893,149	0	12,893,149	0
7.	Districtwide HVAC	3,050,000	1,865,505	0	4,915,505	0
8.	Districtwide Roof Repairs	2,900,000	1,773,760	0	4,673,760	0
9.	Electrical Support for Elementary Schools	400,000	244,658	0	644,658	0
10.	Dimond High School - Replacement Design and Demolition	7,840,000	4,795,265	0	12,635,265	0
11.	New South Anchorage Area High School Design and Site Improvement	5,640,200	3,449,779	0	9,089,979	0
12.	Chugiak High School - Renovation, Phase I, House 2	7,168,911	4,384,800	0	11,553,711	0
13.	Central Middle School - Renovation	3,000,000	1,834,874	0	0	4,834,874

Total principal amount will not exceed \$173,150,000.

Section 2. The sum of not to exceed One Hundred Seventy-Three Million One Hundred Fifty Thousand Dollars (\$173,150,000) 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

1 all taxable property in the Municipality shall be levied without limitation as to rate or amount to pay
2 the principal of and interest on the bonds when due.

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

8 SUMMARY

9 This bond proposition authorizes Anchorage to issue general
10 obligation bonds in an amount not to exceed **\$173,150,000** for
11 educational capital improvements. Approval of this bond proposition
12 also permits Anchorage to raise the Municipal Tax Cap to pay for
13 operations and maintenance costs related to the educational capital
14 improvement projects.

15 Anchorage will issue bonds to finance the "Reimbursement Projects,"
16 as shown in the ballot proposition below, only if such "Reimbursement
17 Projects" will qualify under the State of Alaska's program for debt
18 reimbursement which provides for payment of 70% of the principal
19 and interest on the bonds issued. Actual payment for debt
20 reimbursement from the State of Alaska is subject to annual
21 legislative appropriations.

22 PROPOSITION NO.

23 EDUCATIONAL CAPITAL IMPROVEMENT BONDS

24 Shall Anchorage borrow up to **\$173,150,000** through the issuance of
25 general obligation bonds and increase the municipal tax cap by an
26 amount up to **\$3,137,150** to pay for associated annual operations and
27 maintenance costs.

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

34 The proposed educational capital improvement projects which
35 include, but are not limited to, the following:
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1 such projects qualify for 70% debt service reimbursement from
2 the State of Alaska under existing or new legislation. Receipt
3 of State reimbursement is subject to legislative appropriations.
4

5 The debt will be paid first from real and personal property
6 taxes levied and collected areawide in Anchorage. Anchorage
7 will also pledge its full faith and credit for payment of the debt.
8

9 (No. AO 99-__)

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

15 PROPOSITION NO.

Yes ☐

16 No ☐

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

21 PASSED AND APPROVED by the Assembly of Anchorage, Alaska, this
22 day of February 1999.
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27 _____
28 Chair

29 ATTEST:

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32 _____
33 Municipal Clerk