MUNICIPALITY OF ANCHORAGE
ALASKA

ORDINANCE NO. AO 99-41


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.
Section 4. 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

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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 \$173,150,000 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 \$173,150,000 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:
<table>
<thead>
<tr>
<th>Project</th>
<th>Estimated Project Cost (Principal)</th>
<th>Estimated Interest</th>
<th>Estimated Principal and Interest Paid by the State (70%)</th>
<th>Estimated Principal and Interest Paid by Anchorage</th>
<th>Estimated Annual Operation and Maintenance Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimbursement Projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dimond High School - Replacement Construction</td>
<td>$60,160,000</td>
<td>$36,796,332</td>
<td>$67,869,432</td>
<td>$29,086,900</td>
<td>$0</td>
</tr>
<tr>
<td>South Anchorage Area High School - New School Construction</td>
<td>62,359,800</td>
<td>38,141,818</td>
<td>70,351,133</td>
<td>30,150,485</td>
<td>3,032,500</td>
</tr>
<tr>
<td>Chugiak High School - HVAC, Electrical and Fire Upgrades</td>
<td>2,831,089</td>
<td>1,731,610</td>
<td>3,193,889</td>
<td>1,368,810</td>
<td>0</td>
</tr>
<tr>
<td>Central Middle School - Renovation</td>
<td>3,000,000</td>
<td>1,834,874</td>
<td>3,384,412</td>
<td>1,450,462</td>
<td>0</td>
</tr>
<tr>
<td>Non-Reimbursement Projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government Hill Elementary School - Addition and Renovation</td>
<td>9,800,000</td>
<td>5,994,082</td>
<td>0</td>
<td>15,794,082</td>
<td>104,650</td>
</tr>
<tr>
<td>Russian Jack Elementary School - Replacement</td>
<td>8,000,000</td>
<td>4,893,149</td>
<td>0</td>
<td>12,893,149</td>
<td>0</td>
</tr>
<tr>
<td>Districtwide HVAC</td>
<td>3,050,000</td>
<td>1,865,505</td>
<td>0</td>
<td>4,915,505</td>
<td>0</td>
</tr>
<tr>
<td>Districtwide Roof Repairs</td>
<td>2,900,000</td>
<td>1,773,760</td>
<td>0</td>
<td>4,673,760</td>
<td>0</td>
</tr>
<tr>
<td>Electrical Support for Elementary Schools</td>
<td>400,000</td>
<td>244,658</td>
<td>0</td>
<td>644,658</td>
<td>0</td>
</tr>
<tr>
<td>Dimond High School - Replacement Design and Demolition</td>
<td>7,840,000</td>
<td>4,795,265</td>
<td>0</td>
<td>12,635,265</td>
<td>0</td>
</tr>
<tr>
<td>New South Anchorage Area High School Design and Site Improvement</td>
<td>5,640,200</td>
<td>3,449,779</td>
<td>0</td>
<td>9,089,979</td>
<td>0</td>
</tr>
<tr>
<td>Chugiak High School - Renovation, Phase I, House 2</td>
<td>7,168,911</td>
<td>4,384,800</td>
<td>0</td>
<td>1,553,711</td>
<td>0</td>
</tr>
</tbody>
</table>

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

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 in the municipal tax cap (Charter 14.03(b)(2)) of $21.82 to pay for annual operation and maintenance costs related to the proposed educational capital improvements.

Voter approval of this bond proposition also 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 $46.89 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 70% debt service reimbursement from
the State of Alaska 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.

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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 or 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 20, 1999. 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 1999.

Chair

ATTEST:

Municipal Clerk