

Submitted by: Assemblymembers Fairclough and Kendall
Prepared by: Assembly Office
For Reading: January 30, 2001

MUNICIPALITY OF ANCHORAGE

ALASKA

ORDINANCE NO. AO 2001-31

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED FORTY-TWO MILLION DOLLARS (\$42,000,000) 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 3, 2001.

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, Alaska (the "Municipality") to incur general obligation bonded indebtedness in an amount not to exceed Forty-Two Million Dollars (\$42,000,000) for the purpose of paying the costs of planning, designing, acquiring property for, site preparation, constructing, acquiring, installing and equipping the educational capital improvement within the Municipality as described below. The aforementioned bonds will only be issued if, and to the extent that, such project (as described below) qualifies for at least 50% 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 (50%)</u>	<u>Estimated Principal and Interest Paid by Anchorage</u>	<u>Estimated Annual Operation and Maintenance Cost</u>
New Eagle River Area High School	\$42,000,000	\$29,755,739	\$35,877,870	\$35,877,870	\$1,701,250

Section 2. The sum of not to exceed Forty-Two Million Dollars (\$42,000,000) shall be borrowed by, for and on behalf of the Municipality for the aforesaid educational capital improvement project and shall be evidenced by the issuance of general obligation bonds of the Municipality. The bond proceeds shall be used only to pay 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 3, 2001, in and for the Municipality, 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 \$42,000,000 for an educational capital improvement consisting of designing and constructing a New Eagle River Area High School. 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 project.

Anchorage will issue bonds to finance the educational capital improvements project only if such project qualifies under the State of Alaska's program for at least 50% debt reimbursement (i.e. payment of 50% of the principal and interest on the bond to be paid by the State of Alaska). Actual payment for debt reimbursement from the State of Alaska is subject to annual legislative appropriations.

PROPOSITION NO.

EDUCATIONAL CAPITAL IMPROVEMENTS BONDS

Shall Anchorage borrow up to \$42,000,000 through the issuance of general obligation bonds to pay for educational capital improvements and increase the municipal tax cap by an amount up to \$1,701,250 to pay for associated annual operations and maintenance costs.

The general obligation bond proceeds will be used to pay costs of planning, designing, acquiring property for, site preparation, constructing, acquiring, installing and equipping the New Eagle River Area High

School. The increase in the municipal tax cap will pay for operations and maintenance costs related to the proposed project.

The proposed educational capital improvement project is as follows:

<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>
New Eagle River Area High School	\$42,000,000	\$29,755,739	\$35,877,870	\$35,877,870	\$1,701,250

Voter approval of this bond proposition authorizes for each \$100,000 of assessed real and personal property value (based on the estimated 2001 assessed valuation) an annual increase in the municipal tax cap (Charter 14.03(b)(2)) of **\$11.07** 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 2001 assessed valuation) an annual increase in taxes of **\$23.35** to retire the proposed bond indebtedness.

No bonds will be issued to finance costs of the Project unless and until such Project qualifies for at least 50% 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.

(No. AO 2001-31)

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,

1 and the following words shall be added as appropriate and next to a square provided for
2 marking the ballot or voting by a machine:

3 PROPOSITION NO.

Yes ☐

4 No ☐

5 **Section 5.** Section 2 of this Ordinance shall become effective only if the proposition
6 described in Section 3 is approved by a majority of the qualified voters voting on the
7 proposition at the regular election on April 3, 2001. The remaining sections of this
8 Ordinance shall become effective upon passage and approval

9 PASSED AND APPROVED by the Assembly of Anchorage, Alaska, this
10 day of February 2001.

11
12
13 _____
14 Chair

15 ATTEST:

16
17
18
19 _____
20 Municipal Clerk