

*Postponed indefinitely 2/5/02*

Submitted by:  
Prepared by:  
For Reading:

Assemblymember Kendall  
Department of Assembly  
January 22, 2002

MUNICIPALITY OF ANCHORAGE

ALASKA

ORDINANCE NO. AO 2002-17

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED ONE HUNDRED ONE MILLION SIX HUNDRED TWENTY-FIVE THOUSAND AND NO/00 DOLLARS (\$101,625,000) 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 2, 2002.

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 One Million Six Hundred Twenty-Five Thousand and No/00 Dollars (\$101,625,000), 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 including, but not limited to, the following

<u>Projects:</u>	<u>Estimated Cost</u>	<u>Estimated Annual Operating and Maintenance</u>
School Renovations/Additions/Replacements:		
Bartlett High School Phase 2 Design	\$1,900,000	\$0
Chugiak High School Deferred Phase 3 Design/Construction	4,300,000	0
Dimond High School Demolition Funding (Construction)	3,000,000	0

1	East High School		
2	Deferred Phase I Design/Construction	1,500,000	0
3	Phase 2 and Sprinklers		
4	Design/Construction	4,200,000	0
5	Phase 3 Design	1,200,000	0
6	Polaris K-12 School		
7	Design	700,000	0
8	Service High School		
9	Deferred Phase I Design/Construction	1,350,000	0
10	Phase 2A Design/Construction	17,000,000	81,142
11	Wendler Middle School		
12	Phase 2 Construction - Possible Match		
13	with EED Grant	9,800,000	36,307
14	Ptarmigan Elementary School		
15	Design/Construction	6,400,000	81,345
16	Planning		
17	Whaley School Assessment,		
18	Clark Middle School Planning,		
19	Birchwood ABC and		
20	Willowcrest Elementary Traffic Safety	275,000	0
21	Chugach Optional School		
22	Planning/Design	500,000	0
23	New Eagle River Area High School	49,500,000	1,782,322

16        Section 2. The sum of not to exceed One Hundred One Million Six Hundred Twenty-  
 17 Five Thousand and No/00 Dollars (\$101,625,000), shall be borrowed by, for and on behalf  
 18 of the Municipality for the aforesaid school capital improvements and shall be evidenced  
 19 by the issuance of general obligation bonds of the Municipality. The bond proceeds shall  
 20 be used only for capital improvements and costs of issuance of the bonds. The full faith  
 21 and credit of the Municipality is pledged for the payment of the principal of and interest on  
 22 the bonds, and ad valorem taxes upon all taxable property in the Municipality shall be  
 23 levied without limitation as to rate or amount to pay the principal of and interest on the  
 24 bonds when due

25        Section 3. An election is to be held on April 2, 2002, in and for the Municipality of  
 26 Anchorage, for the purpose of submitting a general obligation bond proposition to the  
 27 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:

**PROPOSITION NO.**

**EDUCATIONAL CAPITAL IMPROVEMENT BONDS**

Shall Anchorage borrow up to \$101,625,000 through the issuance of general obligation bonds to pay for educational capital improvements within Anchorage and increase the municipal tax cap by an amount of \$1,981,116 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, renovating, installing and equipping educational capital improvement projects within Anchorage. The proposed educational capital improvement projects include, but are not limited to, the following:

<b><u>Projects:</u></b>	<b><u>Estimated Cost</u></b>	<b><u>Estimated Annual Operating and Maintenance</u></b>
School Renovations/Additions/Replacements:		
Bartlett High School Phase 2 Design	\$1,900,000	\$0
Chugiak High School Deferred Phase 3 Design/Construction	4,300,000	0
Dimond High School Demolition Funding (Construction)	3,000,000	0
East High School Deferred Phase I Design/Construction	1,500,000	0
Phase 2 and Sprinklers Design/Construction	4,200,000	0
Phase 3 Design	1,200,000	0
Polaris K-12 School Design	700,000	0
Service High School Deferred Phase I Design/Construction	1,350,000	0
Phase 2A Design/Construction	17,000,000	81,142
Wendler Middle School Phase 2 Construction - Possible match with EED Grant	9,800,000	36,307

Ptarmigan Elementary School Design/Construction	6,400,000	81,345
Planning		
Whaley School Assessment, Clark Middle School Planning, Birchwood ABC and Willowcrest Elementary Traffic Safety	275,000	0
Chugach Optional School Planning/Design	500,000	0
New Eagle River Area High School	49,500,000	1,782,322

Voter approval of this bond proposition authorizes for each \$100,000 of assessed real and personal property value (based on the estimated 2002 assessed valuation): (i) an annual increase in taxes of approximately \$51.52 to retire the proposed bonds, and (ii) an annual increase in the municipal tax cap (Charter 14.03(b)(2)) of approximately \$11.76 to pay for annual operation and maintenance costs related to the proposed capital improvements.

The debt will be paid 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.

Anchorage is currently seeking State reimbursement for payment of 70% of the principal and interest on approximately \$3,700,000 of these bonds.

(No. AO 2002-\_\_)

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	<input type="checkbox"/>
	No	<input type="checkbox"/>

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 2, 2002. 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 2002

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Municipal Clerk

**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects - General Government**

**AO Number:** AO 2002-17

**Title:** ASD Bond - \$101,625,000

**Sponsor:** Assemblymember Kendall

**Preparing Agency:** Assembly

**Others Affected:** ASD

**CHANGES IN EXPENDITURE AND REVENUES (Thousands of Dollars)**

<i>Operating Expenditures</i>	<i>FY 02</i>	<i>FY 03</i>	<i>FY 04</i>	<i>FY 05</i>	<i>FY 06</i>
1000 Personal Services					
2000 Supplies					
3000 Other Services					
4000 Debt Service	0	8.7	8.7	8.7	8.7
5000 Capital Outlay					
<b>TOTAL DIRECT COSTS:</b>	0	8.7	8.7	8.7	8.7

<b>ADD: 6000 Charge from Others</b>					
<b>LESS: 7000 Charge to Others</b>					
<b>FUNCTION COSTS:</b>					

<b>REVENUES:</b>					
------------------	--	--	--	--	--

<b>CAPITAL:</b>					

<b>POSITIONS: FT/PT and Temp.</b>					

**Public Sector Economic Effects:**

*The estimated annual debt service will be \$8,681,163 based on a 20-year amortization schedule at an interest rate of 5.75%.*

*After completion of the project, the annual operations and maintenance costs are estimated at \$1,981,116.*

## **SUMMARY OF ECONOMIC EFFECTS**

**Page 2**

### ***Private Sector Economic Effects:***

*The estimated annual debt service will be \$8,681,163 which equates to an estimated property tax increase of 0.5152 mills or \$51.52 per year on \$100,000 of the assessed valuation.*

*An annual increase in the Municipal Tax Cap Limitation of 0.1176 mills or \$11.76 per \$100,000 of the assessed valuation will result if this bond is approved.*

***Prepared by: Elvi Gray-Jackson***

***Telephone: 343-4751***

**2002SEE/SEE05**



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

NO. AM 151-2002

Meeting Date: February 5, 2002

**From:** Assemblymember Kendall  
**Subject:** **AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO INCLUDE A NEW EAGLE RIVER AREA HIGH SCHOOL - (101,625,000)**

The attached ordinance is being submitted to acquire approval to place a bond proposition on the ballot at the April 2, 2002 election to include a New Eagle River Area High School. The ordinance includes all of the projects submitted by the Anchorage School District in AO 2002-15 with the addition of the School.

Based on the estimated 2002 assessed valuation, the annual increase in the Municipal Tax Cap to pay for annual operations and maintenance will be \$11.76 per \$100,000 of assessed valuation. The annual increase in taxes to retire the proposed bond indebtedness is estimated at \$51.52 per \$100,000 of assessed valuation.

Your support and approval of this ballot proposition are requested

Respectfully submitted,

Prepared by

Dan Kendall  
Assemblymember

Elvi Gray-Jackson, Manager  
Budget and Legislative Services

Reviewed by:

Director  
Department of Assembly/Municipal Clerk



Municipality of Anchorage  
MUNICIPAL CLERK'S OFFICE  
**Agenda Document Control Sheet**

*AV 2002-17*

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

<b>1</b>	<b>SUBJECT OF AGENDA DOCUMENT</b>  AO 2002-17 - \$101,625,000 - ASD	<b>DATE PREPARED</b>  January 27, 2002
		Indicate Documents Attached <input type="checkbox"/> AO <input checked="" type="checkbox"/> AR <input type="checkbox"/> AM <input type="checkbox"/> AIM
<b>2</b>	<b>DEPARTMENT NAME</b> Assembly	<b>DIRECTOR'S NAME</b> Greg Moyer
<b>3</b>	<b>THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY</b> Elvi Gray-Jackson	<b>HIS/HER PHONE NUMBER</b> 343-4751
<b>4</b>	<b>COORDINATED WITH AND REVIEWED BY</b>	<b>INITIALS</b>
	<b>Mayor</b>	
	Heritage Land Bank	
	Merrill Field Airport	
	Municipal Light & Power	
	Port of Anchorage	
	Solid Waste Services	
	Water & Wastewater Utility	
	<b>Municipal Manager</b>	
	Cultural & Recreational Services	
	Employee Relations	
	Finance, Chief Fiscal Officer	
	Fire	
	Health & Human Services	
	Office of Management and Budget	
	Management Information Services	
	Police	
	Planning, Development & Public Works	
	Development Services	
	Facility Management	
	Planning	
	Project Management & Engineering	
	Street Maintenance	
	Traffic	
	Public Transportation Department	
	Purchasing	
	<b>Municipal Attorney</b>	
	<b>Municipal Clerk</b>	
	<b>Other</b>	
<b>5</b>	<b>Special Instructions/Comments</b>  <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <i>1/22/02: Introduced by title only</i> </div>	
<b>6</b>	<b>ASSEMBLY HEARING DATE REQUESTED</b>	<b>7 PUBLIC HEARING DATE REQUESTED</b> <i>2/5/02</i>

2002 JAN 31 PM 1:55  
 CLERK'S OFFICE  
 M.O.A.