

postponed indefinitely 2/3/02

Submitted by:
Prepared by:
For Reading:

Assemblymember Fairclough
Department of Assembly
January 22, 2002

MUNICIPALITY OF ANCHORAGE

ALASKA

ORDINANCE NO. AO 2002-19

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED FORTY-NINE MILLION FIVE HUNDRED THOUSAND AND NO/00 DOLLARS (\$49,500,000) 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, Alaska (the "Municipality") to incur general obligation bonded indebtedness in an amount not to exceed Forty-Nine Million Five Hundred Thousand and No/00 Dollars (\$49,500,000) for the purpose of paying the costs of planning, designing, acquiring property for, site preparation, constructing, acquiring, installing and equipping a New Eagle River Area High School within the Municipality. The aforementioned bonds will only be issued if, and to the extent that, such capital improvement 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 | \$49,500,000 | \$35,069,264 | \$42,284,632 | \$42,284,632 | \$1,782,322 |

Section 2. The sum of not to exceed Forty-Nine Million Five Hundred Thousand and No/00 Dollars (\$49,500,000) 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 2, 2002, 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:

PROPOSITION NO.

EDUCATIONAL CAPITAL IMPROVEMENTS BONDS

Shall Anchorage borrow up to \$49,500,000 through the issuance of general obligation bonds to pay for a New Eagle River Area High School and increase the municipal tax cap by an annual amount up to \$1,782,322 to pay for associated annual operations and maintenance costs.

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 project, and cost estimates associated with the project, are described below.

| | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|--------------------|
| New Eagle River Area High School | \$49,500,000 | \$35,069,264 | \$42,284,632 | \$42,284,632 | \$1,782,322 |
|---|---------------------|---------------------|---------------------|---------------------|--------------------|

Voter approval of this bond proposition also authorizes for each \$100,000 of assessed real and personal property value (based on the estimated 2002 assessed valuation) an annual increase in taxes of approximately \$25.10 to retire the proposed bond indebtedness.

(No. AO 2002-19)

PROPOSITION NO. _____ Yes ☐

No ☐

Ordinance No. 2002-19
A:\AO 2002-19 - ASD Bond Title - \$49,500,000 - 50% Match - Fairclough.wpd

1 proposition at the regular election on April 2, 2002. The remaining sections of this
2 Ordinance shall become effective upon passage and approval.

3 PASSED AND APPROVED by the Assembly of Anchorage, Alaska, this
4 day of February 2002.

5
6
7 _____
8 Chair

9
10 ATTEST:

11
12
13 _____
14 Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: AO 2002-19

Title: ASD Bond - \$49,500,000

Sponsor: Assemblymember Fairclough

Preparing Agency: Assembly

Others Affected: ASD

CHANGES IN EXPENDITURE AND REVENUES (Thousands of Dollars)

| Operating Expenditures | FY 02 | FY 03 | FY 04 | FY 05 | FY 06 |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|
| 1000 Personal Services | | | | | |
| 2000 Supplies | | | | | |
| 3000 Other Services | | | | | |
| 4000 Debt Service | 0 | 4.2 | 4.2 | 4.2 | 4.2 |
| 5000 Capital Outlay | | | | | |
| TOTAL DIRECT COSTS: | 0 | 4.2 | 4.2 | 4.2 | 4.2 |

| | | | | | |
|-------------------------------------|--|--|--|--|--|
| ADD: 6000 Charge from Others | | | | | |
| LESS: 7000 Charge to Others | | | | | |
| FUNCTION COSTS: | | | | | |

| | | | | | |
|------------------|--|--|--|--|--|
| REVENUES: | | | | | |
|------------------|--|--|--|--|--|

| | | | | | |
|-----------------|--|--|--|--|--|
| CAPITAL: | | | | | |
| | | | | | |

| | | | | | |
|-----------------------------------|--|--|--|--|--|
| POSITIONS: FT/PT and Temp. | | | | | |
| | | | | | |

Public Sector Economic Effects:

The estimated annual debt service will be \$4,228,463 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 \$1,782,322.

Private Sector Economic Effects:

The estimated annual debt service will be \$4,228,463 which equates to an estimated property tax increase of 0.2510 mills or \$25.10 per year on \$100,000 of the assessed valuation. If the project qualifies for debt service reimbursement and it is appropriated by the State Legislature, the annual increase in taxes would be reduced to \$12.55.

An annual increase in the Municipal Tax Cap Limitation of 0.1058 mills or \$10.58 per \$100,000 of the assessed valuation will result if this bond is approved.

Prepared by: Elvi Gray-Jackson

Telephone: 343-4751



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

NO. AM 149-2002

Meeting Date: February 5, 2002

1 **From:** Assemblymember Fairclough

2 **Subject:** **AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT**
3 **PROPOSITION TO FUND A NEW EAGLE RIVER AREA HIGH SCHOOL**
4 **(\$49,500,000)**
5
6

7 The attached ordinance is being submitted to acquire approval to place a bond proposition
8 on the ballot at the April 2, 2002 election to provide for a New Eagle River Area High
9 School. The intent of the proposition will allow for issuance if, and to the extent that, the
10 project qualifies for at least 50% debt service reimbursement under Alaska Statutes
11 14.11.00. Payments by the State are subject to annual appropriations by the State
12 Legislature.
13

14 Based on the estimated 2002 assessed valuation, the annual increase in the Municipal Tax
15 Cap to pay for annual operations and maintenance will be \$10.58 per \$100,000 of
16 assessed valuation. The annual increase in taxes to retire the proposed bond
17 indebtedness is estimated at \$25.10 per \$100,000 of assessed valuation. If the project
18 qualifies for debt service reimbursement, and it is appropriated by the State Legislature, the
19 annual increase in taxes would be reduced to \$12.55.
20

21 Your support and approval of this ballot proposition are requested.
22

23 Respectfully submitted,

Prepared by:

24
25 *Anna Fairclough*
26
27

28 Anna Fairclough
29 Assemblymember
30

Elvi Gray-Jackson

Elvi Gray-Jackson, Manager
Budget and Legislative Services

31 Reviewed by:

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33
34 *Greg Moyer*
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36 Greg Moyer, Director
37 Department of Assembly/Municipal Clerk
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Municipality of Anchorage
MUNICIPAL CLERK'S OFFICE
Agenda Document Control Sheet

2002-19

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

| | | | |
|----------|--|--|-------------------------------|
| 1 | SUBJECT OF AGENDA DOCUMENT | DATE PREPARED | |
| | AO 2002-19 - \$49,500,000 - ASD | January 27, 2002 | |
| | | Indicate Documents Attached <input type="checkbox"/> AO <input checked="" type="checkbox"/> AR <input type="checkbox"/> AM <input type="checkbox"/> AIM | |
| 2 | DEPARTMENT NAME | DIRECTOR'S NAME | |
| | Assembly | Greg Moyer | |
| 3 | THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY | HIS/HER PHONE NUMBER | |
| | Elvi Gray-Jackson | 343-4751 | |
| 4 | COORDINATED WITH AND REVIEWED BY | INITIALS | DATE |
| | Mayor | | |
| | Heritage Land Bank | | |
| | Merrill Field Airport | | |
| | Municipal Light & Power | | |
| | Port of Anchorage | | |
| | Solid Waste Services | | |
| | Water & Wastewater Utility | | |
| | Municipal Manager | | |
| | 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 | | |
| | Municipal Attorney | | |
| | Municipal Clerk | | |
| | Other | | |
| | | | |
| 5 | Special Instructions/Comments | | |
| | | | |
| | | | |
| | | | |
| 6 | ASSEMBLY HEARING DATE REQUESTED | 7 | PUBLIC HEARING DATE REQUESTED |
| | | | <i>2/5/02</i> |

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

1/22/02: Introduced by title only