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CLERK'S OFFICE
APPROVED
Date: 2-1-11

Requested by: Chair of the Assembly at the
Request of the Anchorage
School District
Prepared by: Cynthia M. Weed, Bond
Counsel
K&L Gates LLP
For Reading: January 18, 2011

**MUNICIPALITY OF ANCHORAGE, ALASKA
ORDINANCE No. 2011-7**

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED THIRTY SEVEN MILLION ONE HUNDRED THIRTY-TWO THOUSAND DOLLARS (\$37,132,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF RENEWAL OF SERVICE HIGH SCHOOL AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 5, 2011.

WHEREAS, Service High School is in need of renewals (the "Project");

WHEREAS, in order to provide a portion of the funds required to undertake the Project, it is deemed necessary and advisable that the Municipality issue and sell its general obligation bonds (the "Bonds"); now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Purpose. The Assembly hereby determines that the Service High School is in need of additions and renewals. The Project is described in more detail in the Assembly Memorandum accompanying this ordinance. The total cost of the Project is approximately \$70,000,000. A portion of the total cost, \$21,000,000, is expected to be paid from a state grant. In addition, the District proposes to re-allocate \$10,000,000 of the authorized but unissued general obligation bonds in order to pay a portion of the cost of the Project. \$1,900,000 will be re-allocated from Proposition No. 2007-4; \$2,100,000 from Proposition No. 2007-5; and \$6,000,000 from Proposition No. 2008-2. The balance of the costs are expected to be paid from the proceeds of the Bonds authorized herein.

The cost of all necessary planning, acquisition of property for, site preparation, construction, installing and equipping of the Project, architectural, engineering, design, and other consulting services, inspection and testing, administrative and relocation expenses, costs of issuance of the Bonds (hereinafter defined) and other costs incurred in connection with the Project shall be deemed to be costs of the approved Project. The approved Project may be completed with all necessary equipment and appurtenances.

1
2 If the School District shall determine that it has become impractical to
3 accomplish any portion of the approved Project by reason of changed conditions
4 or needs, incompatible development or costs substantially in excess of those
5 estimated, the School District shall not be required to accomplish such portions
6 and shall apply Bond proceeds as set forth in this section.
7

8 If the approved Project has been completed in whole or in part, or its
9 completion duly provided for, or its completion found to be impractical, the School
10 District may apply Bond proceeds or any portion thereof to other School District
11 capital improvements as the School Board in its discretion shall determine and, if
12 otherwise, then solely to payment of principal or interest on the Bonds, as provided
13 in the Home Rule Charter. In the event that the proceeds of sale of the Bonds,
14 plus any other monies of the School District legally available, are insufficient to
15 accomplish the approved Project, the School District shall use the available funds
16 for paying the cost of those portions of the approved Project for which the Bonds
17 were approved deemed by the School Board most necessary and in the best
18 interest of the School Board. No Bond proceeds shall be used for any purpose
19 other than a capital improvement.
20

21 For the purpose of providing funds for the undertaking of the Project, which
22 are hereby found to be a public purpose and in the public interest, the Municipality
23 hereby proposes to issue general obligation bonded indebtedness in an amount
24 not to exceed Thirty-seven Million One Hundred Thirty-two Thousand Dollars
25 (\$37,132,000) (the "Bonds").
26

27 **Section 2. Details of Bonds.** The Bonds shall be sold in such amounts and at
28 such time or times as deemed necessary and advisable by the Assembly and as
29 permitted by law and shall mature over a period of 20 years of date of issue. The
30 Bonds shall be issued in an aggregate principal amount of not to exceed
31 \$37,132,000. The Bonds shall bear interest to be fixed at the time of sale or sales
32 thereof. The exact form, terms, conditions, contents, security, options of
33 redemption, and such other matters relating to the issuance and sale of said
34 Bonds as are deemed necessary and advisable by the Assembly shall be as
35 hereinafter determined and/or delegated by ordinance and/or resolution of the
36 Assembly.
37

38 The full faith and credit of the Municipality is pledged for the payment of the
39 principal of and interest on the Bonds, and ad valorem taxes upon all taxable
40 property in the Municipality shall be levied without limitation as to rate or amount to
41 pay the principal and interest on the Bonds when due.
42

43 **Section 3. Ballot Proposition.** The Assembly hereby submits to the qualified
44 electors of the Municipality the proposition of whether or not the Municipality
45 should issue the Bonds for the purpose of financing the costs of the approved
46 Project at the regular municipal election to be held on April 5, 2011.

1
2 The Clerk shall prepare the ballot proposition to be submitted to the voters
3 as provided by this ordinance and the Municipal Code and shall perform all
4 necessary steps in accordance with law to place this proposition before the voters
5 at the regular election. The proposition must receive a majority vote of those in
6 the Municipality voting on the question to be approved. The proposition shall be
7 substantially in the following form:
8

9 PROPOSITION NO. _____

10 SERVICE HIGH SCHOOL
11 RENEWAL GENERAL OBLIGATION BONDS
12

13 Shall Anchorage borrow up to \$37,132,000 through the
14 issuance of general obligation bonds to pay for a portion of
15 the costs of additions to and renewals of Service High School
16 and other educational capital improvements, as provided in
17 Ordinance No. AO 2011-___? The Project currently qualifies
18 for a state grant of \$21,000,000 based on \$9,132,000 of the
19 issuance and also 60% State debt reimbursement on
20 \$28,000,000 of the issuance (subject to annual Legislative
21 appropriation as described below.)
22

23 The general obligation bond proceeds will be used to pay a
24 portion of the costs of additions to and renewals of Service
25 High School, and if this proposition is approved the District will
26 reallocate the proceeds of previously authorized but unissued
27 bonds in the amount of \$10,000,000 to pay a portion of the
28 project costs. The Project currently qualifies for a state grant
29 of \$21,000,000 based on \$9,132,000 of the issuance and also
30 60% State debt reimbursement on \$28,000,000 of the
31 issuance. If the State chooses to make full reimbursement,
32 the annual increase in taxes would be \$5.19 to retire the
33 proposed bonds (based on \$100,000 of 2011 real and
34 personal property value). State reimbursement is subject to
35 annual Legislative appropriation.
36

37 Without State reimbursement for debt service, voter approval
38 of this bond proposition authorizes for each \$100,000 of
39 assessed real and personal property value (based on the
40 estimated 2011 assessed valuation) an annual increase in
41 taxes of approximately \$9.47 to retire the proposed bonds.
42

1 The debt will be paid from real and personal property taxes
2 levied and collected areawide in Anchorage. Anchorage will
3 also pledge its full faith and credit for payment of the debt.
4

5 (No. AO 2011-____)
6

7 **Section 4. Submission of Question to Voters.** The proposition, both for paper
8 ballots and machine ballots, shall be printed on a ballot which may set forth other
9 general obligation bond propositions, and the following words shall be added as
10 appropriate and next to a square provided for marking the ballot or voting by a
11 machine:

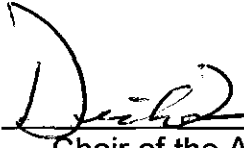
12 PROPOSITION NO. _____

BONDS, YES


13 BONDS, NO

14 **Section 5. Effective Dates.** Section 2 of this ordinance shall become effective
15 only if the proposition described in Section 3 is approved by a majority of the
16 qualified voters voting on the proposition at the regular election held on April 5,
17 2011. The remaining sections of this ordinance shall become effective upon
18 passage and approval by the Assembly.
19

20 PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this
21 1st day of February, 2011.
22

23
24
25 By  _____
26 Chair of the Assembly

27 ATTEST:

28
29 
30 _____
31 Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2011-7

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED THIRTY SEVEN MILLION ONE HUNDRED THIRTY-TWO THOUSAND DOLLARS (\$37,132,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF RENEWAL OF SERVICE HIGH SCHOOL AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 5, 2011.

Prepared by

K&L GATES LLP

**MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2011-7**

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* This Table of Contents and the cover page are for convenience of reference and are not intended to be a part of this ordinance.

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2011-7

Title: AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF ANCHORAGE, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED THIRTY SEVEN MILLION ONE HUNDRED THIRTY-TWO THOUSAND DOLLARS (\$37,132,000) OF GENERAL OBLIGATION BONDS OF THE MUNICIPALITY OF ANCHORAGE TO PAY THE COSTS OF RENEWAL OF SERVICE HIGH SCHOOL AT THE ELECTION TO BE HELD IN THE MUNICIPALITY ON APRIL 5, 2011.

Sponsor: Mayor

Preparing Agency: Anchorage School District

Others Impacted: None

CHANGES IN EXPENDITURES AND REVENUES:

(Thousands of Dollars)

	FY11	FY12	FY13	FY14	FY15
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services					
4000 Debt Service		2,980	2,980	2,980	2,980
5000 Capital Outlay					
TOTAL DIRECT COSTS:		2,980	2,980	2,980	2,980

ADD: 6000 Charge from Others

LESS: 7000 Charge to Others

FUNCTION COST:

REVENUES:

CAPITAL:

POSITIONS: FT/PT and Temp.

PUBLIC SECTOR ECONOMIC EFFECTS:

Estimated annual debt service of \$2,979,567 assumes bonds are sold as a package @ 5.0% interest, with bond repayments corresponding to the expected life of the assets financed over 20 years.

The State of Alaska has agreed to reimburse 60% of \$28,000,000 of the bonds (subject to annual appropriation) which would reduce the annual taxpayer debt service to \$1,631,492

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service payments of approximately \$2,979,567.75 equate to an estimated property tax increase of .0947 mills or \$9.47 per year on \$100,000 of assessed valuation in the Anchorage Areawide Service Area.

Estimated annual debt service payments with the anticipated State of Alaska participation is \$1,631,492 and would equate to an estimated property tax increase of .0519 mills or \$5.19 per year on \$100,000 of assessed valuation in the Anchorage Areawide Service Area.

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 36-2011

Meeting Date: January 18, 2011

From: ANCHORAGE SCHOOL DISTRICT

Subject: AO 2011-7 Three Ballot Propositions to Provide
AO 2011-8 for the Issuance of General
AO 2011-9 Obligation Bonds for Educational
Capital Improvements

The Anchorage School Board approved three ballot propositions to provide for the issuance of general obligation bonds for education-related capital projects on December 13, 2010: ASD Memorandum #161 (2010-2011), Recommendation for April 2011 Bonds. This recommendation includes proposed Proposition I to allow for the issuance of general obligation bonds of \$37,132,000 and re-direction of \$10,000,000 in previously authorized but unissued general obligation bonds for School Addition/Renewal Project; Proposition II for Design and Districtwide Building Life Extension Projects in the amount of \$16,865,000; and Proposition III for Career, Technical, and Vocational Education Upgrades in the amount of \$17,000,000. The total of these bond proposals is \$70,997,000.

The School Board requests the Anchorage Assembly place the three propositions, as stated on AO 2011-7, AO 2011-8, and AO 2011-9, on the April 5, 2011 ballot for consideration by qualified voters of the Municipality of Anchorage. These propositions will pay the cost of capital improvement projects for the Anchorage School District, including, but not limited to, the following:

Proposition I:	\$37,132,000		Estimated Annual
		Estimated	Operating and
<u>Project</u>		<u>Cost</u>	<u>Maintenance</u>
Service High School			
Renewal		28,000,000	
Service High School			
Renewal			
DEED Grant Participating Share		<u>\$ 9,132,000</u>	
Proposition I Total		<u>\$37,132,000</u>	<u>\$0</u>

This proposal is designed to significantly reduce the burden on taxpayers by including matching funds needed to secure a \$21 million state grant necessary to complete the project. In addition, voters will be asked to authorize redirection of \$10 million of previously voter-approved but unsold bonds from 2007-08 for this project. The approximate annual amount of taxes on \$100,000 of assessed real and personal property value (based on the estimated total 2010 assessed valuation) to retire the proposed debt is \$9.47. Voters will not be asked to approve an increase in annual operating costs.

1		
2	Proposition II: \$16,865,000	<u>Estimated Cost</u>
3		
4	Design Projects	\$ 5,100,000
5	Educational Capital Improvements and	
6	Facility Building Life Extension Projects	<u>11,765,000</u>
7		
8		Proposition II Total <u>\$16,865,000</u>
9		

10 The approximate annual amount of taxes on \$100,000 of assessed real and personal property
 11 value (based on estimated total 2010 assessed valuation) to retire the proposed debt is \$4.30.
 12 These projects will not increase annual operating costs.

13		
14	Proposition III: \$17,000,000	<u>Estimated Cost</u>
15		
16	Career, Technical, and Vocational Facility Education Upgrades	<u>\$17,000,000</u>
17		
18		Proposition III Total <u>\$17,000,000</u>
19		

20 The approximate annual amount of taxes on \$100,000 of assessed real and personal property
 21 value (based on estimated total 2010 assessed valuation) to retire the proposed debt is \$4.34.
 22 These projects will not increase annual operating costs.

23
 24 A brief description of the projects in the three bond proposals is provided beginning on page
 25 4 of this memorandum.

26
 27 **Supporting Information**

28
 29 Beginning in 1993, the Alaska Legislature has approved State reimbursement programs that
 30 provided for up to 70 percent reimbursement on voter-approved capital improvement school
 31 bonds. Since then, Anchorage School District has received voter approval for approximately
 32 \$1.1 billion in construction and renovation bonds. Of this amount, approximately \$811
 33 million has received up to 70 percent State reimbursement through debt reimbursement
 34 programs.

35
 36 Between the last successful election in April 2008 and the upcoming election in April 2011,
 37 approximately \$148 million will have been retired. Over the next five years, the District will
 38 be paying off between \$52 million and \$58 million of bonds each year, of which the State
 39 will pay approximately 52 percent. Currently, the District has \$749 million of bonds
 40 outstanding as of December 12, 2010. Of this amount, the State will pay approximately 55
 41 percent.

42
 43 Proposition I of this bond proposal provides project funding for completion of the Service
 44 High School renewal.

45
 46 Proposition II of this bond proposal provides funding for Design projects and Building Life
 47 Extension Projects. The Districtwide building life extension projects includes roof
 48 replacement, mechanical, electrical, traffic safety, general building and site upgrades at 16
 49 facilities.

1 Proposition III of this bond proposal provides funding for Career, Technical and Vocational
2 Education Upgrades at 13 facilities.

3
4 **Documentation of Need:**

5
6 The District operates and maintains the largest physical plant of any public entity in the State,
7 with approximately 7.5 million square feet of facilities. The replacement value of District
8 buildings exceeds \$2 billion. The District is responsible for 93 facilities, housing
9 approximately 50,000 students (more students than the total of the next five largest Alaska
10 districts), and over 6,500 staff members. Anchorage educates nearly 40 percent of the total
11 student population of the State. Not only is the inventory large, it is aging. Fifty-one schools
12 are over 20 years old. Of these schools, 22 have had no significant renewal and 29 have had
13 partial renewals since 1990. Of the 12 schools over 50 years old, 6 have had no significant
14 renewal and 6 have had partial renewals since 1990.

15
16 **Building components wear out.** Facility systems only last so long. Roofs deteriorate and
17 leak; heating, plumbing, and ventilation systems wear out; and structural systems age.
18 Various code changes require updating electrical and mechanical systems; providing access
19 for persons with physical disabilities; removing hazardous materials; and renewing various
20 building system components. Moreover, significant renewals often require structural
21 upgrades to meet more stringent seismic codes.

22
23 **Functional obsolescence** is another fact of life for older schools. Over the life of a school,
24 programmatic changes take place that demand updating the facility infrastructure. There is
25 continual need to update the electrical distribution systems in the schools to accommodate
26 current technology. Current educational delivery methods require physical layouts that are
27 often different and more flexible than those of 30 to 40 years ago. Without renewal, these
28 schools do not provide our students the same educational opportunities through parity of
29 program and facilities across our school system.

30
31 **Additional capacity** to house the constantly shifting student population is the third
32 component of capital requirements. Anchorage is the largest district in the state, and, while
33 its overall enrollment has been steady in recent years, the geographic distribution of students
34 continues to shift due to the high mobility of Anchorage's population. The District has over
35 130 relocatable classrooms available to meet short-term capacity needs in affected schools.

36
37 **Effective operation and maintenance programs** are a critical component to extending the
38 life of buildings, sites, systems and equipment, and for maintaining and providing a quality
39 building environment for the instructional programs. The Maintenance Department's well-
40 trained staff use a computerized maintenance management program that effectively
41 accomplishes preventive and corrective maintenance tasks necessary to maintain and extend
42 the life of District facilities. The Operations Department utilizes a Custodial Guide and
43 ongoing staff training to maintain facilities in a safe, clean and orderly condition.

1 **Capital Request Advisory Committee**

2
3 The District’s CRAC met on October 6, October 20, and November 10, 2010 to review
4 options and develop recommendations for a 2011 bond. The committee recommended two
5 bond propositions totaling \$101,115,000. The recommendations are summarized:
6

7 **Proposed Bond 1:**

8	Service High School Addition and Renewal	\$38,000,000
9	Districtwide Turf Fields	<u>12,750,000</u>
10	Total Proposed Bond 1	\$50,750,000

11
12 **Proposed Bond 2:**

13	Career and Technical Education Upgrades	\$17,000,000
14	Design Projects	8,500,000
15	Building Life Extension Projects	<u>24,865,000</u>
16	Total Proposed Bond 2	\$50,365,000

17
18 Total Proposed Bonds 1 and 2 \$101,115,000
19
20

21 **Discussion of Debt Reimbursement Funding From Senate Bill 237**

22
23 Senate Bill 237, passed by the Legislature in July 2010, provides for 60 percent or 70 percent
24 debt reimbursement on school construction projects that have received local voter approval
25 after October 1, 2006, and provides no expiration date on the debt reimbursement program.
26 School projects that add space have been eligible for 60 percent reimbursement, and those
27 projects that do not add space have been eligible for 70 percent reimbursement. The Design
28 Projects and Career and Technical Vocational Facility Education Upgrades projects should be
29 eligible for 60 percent reimbursement while the Educational Facility Building Life Extension
30 projects should be eligible for 70 percent reimbursement. The Service High School Renewal
31 should also be eligible for 60 percent reimbursement on \$28,000,000; however, the Service
32 High School participating share of \$9,132,000 is not reimbursable. The District is currently
33 in the process of submitting these projects to the State.
34

35 **Project Descriptions**

36
37 **SERVICE HIGH SCHOOL RENEWAL**

38 Service High School was built in 1971. In 2002 a conceptual master plan was developed to
39 provide a road map for the school’s renewal; this was revised in 2008 to reduce construction
40 costs by conserving more of the existing building. Between those years, approximately 50%
41 of the master plan was constructed; this included two core academic classroom wings,
42 science classrooms and visual arts classrooms. Major master plan elements remain to be
43 completed, including: career and technical education classrooms, library/instructional media
44 center, dining and food services, special education area, physical education, administration
45 area, a 700-seat auditorium, and performing arts classrooms. In addition to meeting current
46 and future educational needs, the fully completed Service High School renewal project will
47 extend the facility’s useful life, reduce operating and maintenance costs, provide life safety
48 measures, abate asbestos-containing materials, upgrade structure to seismic requirements, and
49 install automatic sprinkler systems to remaining portions of the school. Site work will

1 improve site traffic, parking and landscaping. This project will complete renewal of Service
2 High School.

3 4 CAREER, TECHNOLOGY AND VOCATIONAL EDUCATION FACILITY UPGRADES

5 A district goal is that “all students will graduate from high school prepared for postsecondary
6 academic/vocational/career opportunities”. Proposed districtwide middle and high school
7 educational specifications reflect this goal in defining facilities needed to support Career,
8 Technology and Vocational Education (CTVE) programs. All planned and existing middle
9 and high school CTVE spaces were compared to these educational specifications. Extensive
10 analysis and evaluation by the district identified and ranked a number of projects. The
11 projects were ranked according to five criteria: 1) health/safety, 2) expansion/improvement,
12 3) increase in student participation, 4) new programs, and 5) projects which address career
13 cluster pathways based upon middle and high school attendance areas. Approval of funding
14 will provide facilities and equipment critical for high-quality, relevant and current technical
15 training for 18 projects at Bartlett, Chugiak, Dimond, Eagle River, East, Service and West
16 high schools, Begich, Central, Hanshaw, Mears, and Wendler middle schools, and the King
17 Career Center. These projects will support delivery and expansion of Applied Technology,
18 Biomedical/Health, Construction, Engineering and Material Science programs.

19 20 DESIGN PROJECTS

21 22 GIRDWOOD K-8 SCHOOL DESIGN

23 Girdwood Elementary School is located on a 27-acre site in Girdwood. The existing nine-
24 classroom school delivers educational programs kindergarten through eighth grade. The
25 school was originally built in 1981 with a four classroom addition in 1985. Girdwood
26 community is continuing to mature beyond its origin as a seasonal resort by developing a
27 permanent year-round population base. Major residential developments planned for the
28 community will provide affordable housing units. Such units are expected to include younger
29 families with school-aged children. Currently near capacity, the school will need to expand
30 to accommodate a resulting increased enrollment. Previous funding allowed development of
31 a master plan and initial design. Approval of requested funding for this project will result in
32 completion of a design intended to meet the school’s growing educational needs.

33 34 INLET VIEW ELEMENTARY SCHOOL DESIGN

35 Built in 1957, Inlet View Elementary School is one of Anchorage’s oldest and most
36 established elementary schools. With a program capacity of 238 students, it is smaller than
37 the standard 550-student elementary school, having 13 classrooms instead of 26, and a 7-acre
38 site rather than the 15-acre standard for elementary schools. A 2003 conceptual master plan
39 identified the need for a gymnasium, converting the existing into a multipurpose room, an art
40 room and three new classrooms. When compared to current draft districtwide educational
41 specifications, the school lacks a health classroom and required support facilities.
42 Renovation is needed to rectify code deficiencies, implement greater energy conservation,
43 and improve the site’s traffic safety. Approval of this request will fund schematic design of
44 the school’s renewal.

1 GLADYS WOOD ELEMENTARY SCHOOL DESIGN

2 Built in 1970, Gladys Woods Elementary School is one of the district's last schools with an
3 "open classroom concept". This concept has been shown to constrain delivery of quality
4 educational programs due to acoustical interference, poor circulation, and impermanent walls.
5 In addition to fixing open classrooms, this renewal project will address a number of code and
6 regulatory deficiencies. A 2006 legislative grant funded a 2007 conceptual master plan
7 developed with and supported by active community involvement. This project will add 2
8 classrooms to total 26, an art room, a health classroom, and required support facilities.
9 Approval of this request will fund schematic design of the school's renewal.

10
11 AIRPORT HEIGHTS ELEMENTARY SCHOOL PLANNING & DESIGN

12 Built in 1954, Airport Heights Elementary School has had minor additions over life of the
13 facility. With an 8-acre site, 20 classrooms, and a 335-student program capacity, the school
14 is smaller than the 15-acre, 26-classroom, and 550-student standard district elementary
15 school. The school lacks a multi-purpose room, as well as art, health and music classrooms.
16 The site has poor circulation and inadequate parking. Designated to serve students with
17 special education intensive needs, the school lacks spaces to support them, as well as
18 occupational therapy/physical therapy spaces. In 2005, a limited educational program
19 analysis and master plan was carried out simply to coordinate direction of a life safety
20 upgrade project. The proposed 2010 Districtwide Elementary Educational Specifications will
21 provide basis for a more in-depth analysis of the facility. Approval of this request will fund
22 development of a conceptual master and schematic design for the school's renewal.

23
24 WEST/ROMIG CTVE DESIGN

25 A master plan developed in May 2010 was approved in concept by the school board. The
26 concept reflects the West High School – Romig Middle School campus as a center of
27 community, fully engaging the community in life-long learning while meeting students'
28 educational needs. The concept lays a framework in which to develop specific projects. This
29 project will develop a design to integrate the Career, Technology and Vocational Education
30 program into the master plan while considering ramifications on existing and future master
31 planned facilities.

32
33 EDUCATION FACILITY BUILDING LIFE EXTENSION PROJECTS

34 The District's building life extension projects include roof replacements, structural, electrical,
35 mechanical, and traffic safety/site projects that extend the useful life of existing facilities and
36 mitigate potential safety issues.

37
38 Roof upgrades and replacements at Chugiak High School, Turnagain and Rabbit Creek
39 elementary schools are included with this recommendation.

40
41 General building renewal upgrades for the auditorium dressing rooms at West High School
42 and districtwide relocatables are also included.

43
44 Electrical projects that are part of this request include upgrades to: fire alarm systems,
45 lighting, and communication systems. These projects are needed to assure a safe
46 environment for students and staff, and to provide adequate, efficient lighting in areas
47 currently lacking appropriate lighting. These projects will impact the following schools:

48
49 Inlet View, Huffman, Eagle River, and Scenic Park elementary schools; Mears and Mirror
50 Lake middle schools; and Student Nutrition Building.

1
2 Mechanical projects included with this request will address upgrades or replacement to
3 various heating/boiler and ventilation systems; upgrades to equipment; and upgrades to
4 various water and waste water systems. These projects are important in providing basic heat,
5 ventilation, and utility services to the facilities in the District, and will impact the following
6 schools and facilities:

7
8 Spring Hill, Bear Valley, College Gate, and Birchwood elementary schools.
9

10 The project to upgrade the tennis court at Chugiak High School will improve the overall
11 condition and safety of the tennis courts, as well as enhance delivery of the instructional
12 program.

13
14 The information that has been provided in this memorandum should assist the Assembly in
15 making decisions regarding placing the recommended bond propositions on the ballot for the
16 April 5, 2011 Municipal Election.

17
18 Respectfully submitted,

19 *Carol Comeau*

20 Carol Comeau
21 Superintendent
22
23
24
25

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 36-2011(A)

Meeting Date: February 1, 2011

From: ANCHORAGE SCHOOL DISTRICT

9 Subject: AO 2011-7 10 AO 2011-8(S) 11 AO 2011-9(S) 12 13	Three Ballot Propositions to Provide for the Issuance of General Obligation Bonds for Educational Capital Improvements
--	---

AM 36-2011 was introduced at the January 18, 2011 Assembly meeting. The subject of the memorandum was the issuance of general obligation bonds in support of educational capital improvement (AO 2011-7, AO 2011-8, and AO 2011-9). The Memorandum, and associated Ordinances, discussed the possibility of receiving debt reimbursement from the State. After the Memorandum and Ordinances were prepared, the District received approval from the State for debt reimbursement on these bond packages. AM 36-2011(A), AO 2011-8(S) and AO 2011-9(S) address the State's approval of this debt reimbursement and the impact of this reimbursement on annual taxes required to support the bonds, as well as provides clarification of the majority of projects that are included in AO 2011-8(S) as follows:

Proposition I: Service High School Renewal

The Department of Education and Early Education (DEED) has indicated that \$28,000,000 of bonds are approved for 60 percent State debt reimbursement. If the State chooses to make full reimbursement, the annual increase in taxes would be \$5.19 to retire the proposed bonds (based on \$100,000 of estimated 2010 assessed real and personal property value). State reimbursement is subject to annual Legislative appropriation.

Proposition II: Design Projects, Education Capital Improvements and Facility Building Life Extension Projects

Pursuant to their letter dated January 26, 2011 (Attachment A) DEED has indicated that \$5,100,000 of the bonds are approved for 60 percent State debt reimbursement, \$11,225,000 are approved for 70 percent debt reimbursement and \$540,000 was deemed not eligible for debt reimbursement. This results in an effective reimbursement percentage of 64.73 percent. If the State chooses to make full reimbursement on the \$16,365,000 of eligible projects, the annual increase in taxes would be \$1.52 to retire the proposed bonds (based on \$100,000 of estimated 2010 assessed real and personal property value). State reimbursement is subject to annual Legislative appropriation.

The descriptions of the projects in AO 2011-8(S) have been modified to include a more detailed listing of the Building Life Extension projects; in addition the State reimbursement amounts have been updated to reflect the changes made by DEED with regard to the District's debt reimbursement application as indicated above.

1 Proposition III: Career, Technical and Vocational Facility Education Upgrades

2
3 Pursuant to their letter dated January 26, 2011 DEED has indicated that the entire
4 \$17,000,000 of bonds are approved for 70 percent debt reimbursement. If the State chooses
5 to make full reimbursement, the annual increase in taxes would be \$1.30 to retire the
6 proposed bonds (based on \$100,000 of estimated 2010 assessed real and personal property
7 value). State reimbursement is subject to annual Legislative appropriation. AO 2011-9(S)
8 has been modified to reflect the DEED change in reimbursement percentage from 60 to 70
9 percent.

10
11 The information that has been provided in this memorandum should assist the Assembly in
12 making decisions regarding placing the recommended bond propositions on the ballot for the
13 April 5, 2011 Municipal Election.

14
15 Respectfully submitted,

16
17
18 Carol Comeau
19 Superintendent

STATE OF ALASKA

Department of Education & Early Development

Division of School Finance

SEAN PARNELL, GOVERNOR

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January 26, 2011

Carol Comeau, Superintendent
Anchorage School District
5530 E. Northern Lights Blvd
Anchorage, AK 99504

Re: District Wide Design Projects Project debt approval
District Wide Building Life Extension Projects Project debt approval
Career and Vocational Education Upgrades Project debt approval

Dear Ms. Comeau:

This responds to your submittal of capital improvement project (CIP) applications, dated January 17, 2011, requesting debt reimbursement approval for the above referenced projects under SB237. Following an authorization by the legislature for debt reimbursement, EED accomplishes two administrative actions. The first is to approve projects; the second is to authorize projects for bond indebtedness and reimbursement.

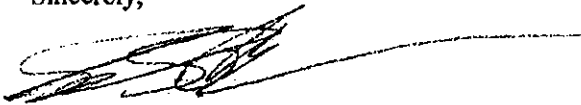
Project approval occurs when an eligible scope and budget have been defined. Project authorization occurs when certified election results are provided establishing voter approval, and a project agreement is signed. Based on these provisions, the projects have been determined eligible in both scope and budget under AS 14.11.100(a) (16) and (17), and are approved as listed below pending voter approval and a signed project agreements:

<u>Project Title</u>	<u>Approved Reimbursement Amount</u>	<u>Approved Reimbursement Rate</u>
District Wide Design Projects	\$5,100,000	60.00%
District Wide Building Life Extension Projects	\$11,225,000	70.00%
Career and Vocational Education Upgrades	\$17,000,000	70.00%
TOTAL	\$ 33,325,000	

This approval expires if bonds are not approved by the voters by January 26, 2016 [4 AAC 31.075(a)].

Please let me know if you have any questions.

Sincerely,



Sam S. Kito III, P.E.
Facilities Engineer

cc: Mike Price, Director of Facilities (via email)