

NONCODE ORDINANCE

Sponsored By: Assemblymember Yundt

Introduced:

Public Hearing:

Adopted:

**MATANUSKA-SUSITNA BOROUGH
ORDINANCE SERIAL NO. 24-072**

AN ORDINANCE AUTHORIZING THE MATANUSKA-SUSITNA BOROUGH TO ISSUE AREAWIDE GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$58,146,600, TO FINANCE THE ACQUISITION, DESIGN, CONSTRUCTION, MAJOR RENOVATION AND RENEWAL OF EDUCATIONAL AND RELATED CAPITAL IMPROVEMENT PROJECTS IN THE BOROUGH, AND TO SUBMIT THE QUESTION OF THE ISSUANCE OF SUCH BONDS TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE NOVEMBER 5, 2024, BOROUGH REGULAR ELECTION.

WHEREAS, the Matanuska-Susitna Borough Assembly recognizes the important educational choices provided by public charter schools within the Matanuska-Susitna Borough School District; and

WHEREAS, public charter school Academy Charter School desires to expand its educational program to serve additional students in its K-8 program, and to also grow its operations to begin serving students in grades 9-12. To provide more services to the existing K-8 program, and account for a new 9-12 program, the school will require an addition to support the needed education space. Academy Charter School is located on Borough owned land with no annual lease payment and the existing site has space to accommodate new facilities; and

WHEREAS, public charter school American Charter Academy is in need of a permanent facility which will better suit its educational program. The current leased facility is a converted strip mall

which has many limitations connected to the school's operational model. The current lease costs approximately \$282,000 annually. Borough owned land is already set aside for a permanent location for American Charter Academy and the school has already paid for a portion of a new school design; and

WHEREAS, public charter school Birchtree Charter School is in need of a permanent facility to support the Waldorf model of education. The current leased facilities have recently been sold which will require Birchtree to find another location for their school in any event. The current lease costs approximately \$586,000 annually. Borough owned land is already set aside for a permanent location for Birchtree Charter School; and

WHEREAS, the aforementioned public charter schools are in need of additional financial support to complete the renovations, acquisitions, or new school construction required; and

WHEREAS, the aforementioned public charter schools continue to have strong enrollment year after year, growing waitlists of students interested in attending, and have been in existence for extended periods of time; and

WHEREAS, it is the intent of the Matanuska-Susitna Borough Assembly that all of the aforementioned public charter schools contribute 12.5% of their annual operating budget to participate in paying the debt service attributable to their school regardless of whether they are currently making a lease payment, provided

that such participation will never exceed the debt payment attributable to that particular school; and

WHEREAS, the Matanuska-Susitna Borough School District has supported placing a bond proposition before the voters via Matanuska-Susitna Borough School Board Resolution 24-003; and

WHEREAS, the Matanuska-Susitna Borough Assembly recognizes the long term benefit of owning public charter school facilities and also recognizes the benefits of being able to have facilities better suited for the educational mission of each public charter school; and

WHEREAS, a municipality may incur general obligation debt only after a bond authorization ordinance is approved by a majority of those voting on the question at an election; and

WHEREAS, additional intent, rationale, and supporting information for this ordinance is found in Informational Memorandum No. 24-132 and the discussions of the Matanuska-Susitna Borough Assembly during meetings at which the ordinance was considered.

BE IT ENACTED:

Section 1. Classification. This Ordinance is a noncode ordinance

Section 2. Authorization and Pledge. There is hereby authorized to be issued areawide general obligation bonds of the Matanuska-Susitna Borough in an amount not to exceed the sum of

Fifty Eight Million One Hundred Forty Six Thousand Six Hundred Dollars (\$58,146,600), (the "Bonds") for the purpose of paying the cost, in whole or in part, of the construction, additions, improvements, betterments, repair, reconstruction, or acquisition of the public school facilities set forth in Section 3 of this ordinance (the "Projects") and facilities related thereto in the Matanuska-Susitna Borough, together with all necessary equipment and transportation facilities, including improving school access, and (if necessary) the acquisition of lands or rights in lands in connection therewith.

The full faith and credit of the Borough shall be pledged for the payment of principal and interest on the bonds when issued and ad valorem taxes upon all the taxable property in the Borough shall be levied without limitation of rate or amount to pay the principal and interest on the bonds.

Section 3. Purpose. The Matanuska-Susitna Borough Assembly (the "Assembly") hereby determines that certain educational facilities of the Borough are in need of construction, additions, improvements, betterments, repair, reconstruction, or acquisition. The Assembly hereby determines that the best interest of the residents and property owners in the Borough require the Borough to undertake the Projects at the time and in the order and manner deemed most necessary and advisable by the Borough. The estimated cost to the Borough of the Projects, including incidental costs

and costs related to issuing and selling the Bonds as provided in this ordinance, is estimated to be \$58,146,600.

The projects consist of the following:

| PROJECTS | AMOUNT |
|--------------------------|--------------|
| Academy Charter School | \$16,394,400 |
| American Charter Academy | \$15,155,000 |
| Birchtree Charter School | \$26,597,200 |
| <u>Total</u> | \$58,146,600 |

The cost of all necessary planning, acquisition of property (if necessary), site preparation, construction, installing, and equipping of the Projects, architectural, engineering, design, and other consulting services, inspection and testing, administrative and legal expenses, costs of issuance of the Bonds and other costs incurred in connection with the Projects shall be deemed to be costs of the approved Projects. The Borough is hereby authorized to undertake the Projects at the time and in the order and manner deemed most necessary and advisable by the Borough. The approved Projects maybe completed with all necessary equipment and appurtenances.

The Borough shall determine the application of available money as between the various Projects so as to accomplish, as nearly as may be, all of the Projects described or provided for in this section.

If the Borough shall determine that it has become impractical to accomplish any portion of the approved Projects by reason of changed conditions or needs, incompatible development or costs

substantially in excess of those estimated, the Borough shall not be required to accomplish such portions and shall apply Bond proceeds as set forth in this section.

If the approved Projects have been completed in whole or in part, or their completion duly provided for, or their completion found to be impractical, the Borough shall apply such remaining proceeds solely to payment of principal or interest on the Bonds. In the event that the proceeds of sale of the Bonds, plus any other money of the Borough legally available, are insufficient to accomplish the approved Projects, the Borough shall use the available funds for paying the cost of those portions of the approved Projects deemed by the Borough most necessary and in the best interest of the Borough. No Bond proceeds shall be used for any purpose other than a capital improvement.

Section 4. Details of Bonds. The Bonds shall be issued upon such terms and conditions and in such form as the Borough Manager or the Borough Finance Director finds to be in the best interest of the Borough.

Section 5. Proposition. Notwithstanding MSB 3.04.115, the Borough shall submit the following proposition to the qualified voters of the Borough at the November 5, 2024, Borough regular election in substantially the following form:

PROPOSITION NO. _____
EDUCATIONAL AND RELATED CAPITAL IMPROVEMENT BONDS

This proposition authorizes the Matanuska-Susitna Borough to build the public school projects listed below and issue bonds in the amount of \$58,146,600 to pay for the schools.

Shall the Matanuska-Susitna Borough issue its areawide general obligation bonds in the aggregate principal amount of not to exceed Fifty Eight Million One Hundred Forty Six Thousand Six Hundred Dollars (\$58,146,600), for the purpose of financing the cost, in whole or in part, of the acquisition, design, construction, major renovation and renewal of educational and related capital improvements within the Borough for the following Projects in accordance with and ratifying and approving the provisions of Ordinance Serial No. 24-072?

| PROJECTS | ESTIMATED COST | ESTIMATED ANNUAL COST TO TAXPAYER PER \$100,000 ASSESSED VALUE |
|--------------------------|---------------------|--|
| Academy Charter School | \$16,394,400 | \$9.02 |
| American Charter Academy | \$15,155,000 | \$8.36 |
| Birchtree Charter School | \$26,597,200 | \$14.02 |
| Total | \$58,146,600 | \$31.40 |

The bonds shall be secured by a pledge of the full faith and credit of the Borough pursuant to Ordinance Serial No. 24-072 of the Matanuska-Susitna Borough adopted by the Borough Assembly on August 6, 2024.

YES NO

Section 6. Bond anticipation notes. In the event the issuance of the Bonds is ratified at such election, the Assembly is hereby authorized to borrow money in anticipation of the sale of the Bonds and to issue bond anticipation notes in accordance with the provisions of the Alaska Statutes. The amount of such notes to be issued from time to time and the time of their issuance, the form and details of the notes and provisions for the sale thereof shall be fixed by the Assembly by resolution.

Section 7. Participation. Without limiting the pledge of the full faith and credit of the Matanuska-Susitna Borough to pay the bonds, it is the intent of the Matanuska-Susitna Borough Assembly and the public charter schools listed in the above projects will participate in payment of the annual debt service equating to 12.5% of the school's annual operating budget, provided that such participation will never exceed the debt payment attributable to that particular school. Should any individual school fail to participate, the Borough Manager is instructed to:

- 1) make full payment on the debt service; and
- 2) prepare the following year's budget with a specific line item showing a deduction in appropriation that would have been made available to the School District; and
- 3) formally request that the School District reduce the allocation for the non-participating school for that fiscal year.

Section 8. Effective Date. Sections 2, 3, 4, 6, and 7 of this ordinance shall take effect upon certification of election only if the ballot proposition contained in Section 5 of this ordinance is approved by a majority of the qualified voters voting on the proposition at the regular Borough election on November 5, 2024. The remaining sections of this ordinance take effect upon adoption by the Matanuska-Susitna Borough Assembly.

ADOPTED by the Matanuska-Susitna Borough Assembly this day of
, 2024.

EDNA DeVRIES, Borough Mayor

ATTEST:

LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)