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UNIVERSITY
of ALASKA
Many Traditions One Alaska

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January 12, 2009

Dear Legislators:

I join the Anchorage Assembly and the leadership of Alaska Pacific University in urging that APU enjoy tax exemption on the use of its historic, contiguous acreage in Anchorage. It is in the best interests of the State of Alaska that we maintain the viability of a private University in our state. APU is complimentary to the State University system; and we work together well in providing non-duplicative programs. The "endowment properties" are sufficient to maintain APU in its current and envisioned size and role if they can be assured that those properties will not suffer from property tax.

With the loss of Sheldon Jackson, the importance of APU is magnified. I believe this small consideration will return to the State of Alaska many times over in the careers and contributions of APU's graduates.

Respectfully,

Mark R. Hamilton
President

cc: President Douglas M. North, APU



Municipality of Anchorage

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Mayor Mark Begich

Office of the Mayor

December 31, 2008

To the Members of the Alaska State Legislature:

On December 16, 2008 the Anchorage Assembly passed a Resolution that urges the State Legislature to enact legislation that would level the playing field between the University of Alaska Anchorage and Alaska Pacific University's contiguous campus when it comes to property taxation. The phrase "contiguous campus" is an important limitation upon APU's equalization, and one that APU agrees with. It precludes APU from buying additional property and then competing with the private sector for development dollars.

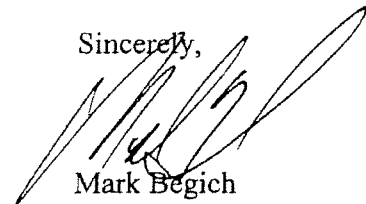
The Anchorage Assembly was impressed by the contribution at APU has made and continues to make to Anchorage—as an economic engine (\$200,000,000 spent locally since 1995), as an important part of the city's educational landscape, and as an institution offering manifold public services at little or no cost to the people of Anchorage.

Alaska Pacific University was not assessed any property taxes for its first 47 years until a new ruling by the Municipal Assessor in 2005. APU has contested this ruling for the past three years. In the past, I have not opposed this equalization of property taxation between our two Alaska universities, but the Municipal Attorney has clearly shown me that only the State Legislature, not the Mayor's Office nor the Anchorage Assembly, can effect this change.

As APU enters its 50th year of life—it was founded in 1959, the year of statehood, I too urge you to pass this legislation. As Mark Hamilton, President of the University of Alaska, himself said, "It is simply the right thing to do."

Alaska Pacific University has served Anchorage and its public for decades without Alaska taxpayer support. I urge you also to do the right thing and equalize the property taxation between Alaska Pacific University's contiguous campus here in Anchorage, and the University of Alaska.

Sincerely,



Mark Begich
Mayor

Community, Security, Prosperity

Submitted by: ASSEMBLY MEMBER COFFEY
Prepared by: Assembly Counsel
For reading: December 16, 2008

**ANCHORAGE, ALASKA
AR NO. 2008-329**

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY RELATING TO THE
PROPERTY TAX STATUS OF ALASKA PACIFIC UNIVERSITY CAMPUS PROPERTY
USED TO GENERATE INCOME TO SUPPORT ALASKA PACIFIC UNIVERSITY'S
EDUCATIONAL PROGRAMS.**

WHEREAS, Alaska Pacific University, a private education institution serving an important public purpose, is a non-profit corporation which exists to encourage, promote, and extend instruction, research and education; and

WHEREAS, Alaska Pacific University and the United States Department of the Interior agreed that use of the Alaska Pacific University campus property for "educational and public purposes" allows development of revenue producing facilities on the campus; and

WHEREAS, Alaska Pacific University reports that none of its educational programs are profitable, revenue from tuition and fees covers only a portion of the cost of operating the University, and funds generated by income producing campus property is an essential component of the university's budget; and

WHEREAS, beginning with tax year 2006, the Municipality of Anchorage has assessed property tax on that portion of Alaska Pacific University campus property under lease to for-profit enterprise; and

WHEREAS, Alaska Pacific University provides an early honors program in cooperation with the Anchorage School District allowing Anchorage students to finish their high school education and obtain college level instruction and credit, which program lessens the burden on the government of providing public education for students enrolled in the program; and

WHEREAS, use of campus property (whether for classrooms, research facilities, administrative offices, recreation facilities, faculty, student and administrative housing, public broadcasting or leases to other parties which facilitate creation of educational opportunities or programs or which have a significant relation to an existing education program offered by Alaska Pacific University) provides a significant public benefit, improves public welfare and lessens the burden on the government of providing public education; and

WHEREAS, Alaska Pacific University is a tax-exempt educational institution under the Internal Revenue Code; and

1
2 WHEREAS, both Alaska Pacific University and the University of Alaska Anchorage
3 are significant institutions in the Municipality that enhance the educational and cultural
4 fabric of this community; and
5

6 WHEREAS, the real property owned by the University of Alaska Anchorage and
7 leased to for-profit entities to generate income for the University of Alaska, is not subject to
8 municipal property tax under state law; and
9

10 WHEREAS, Alaska Pacific University, as a private accredited post secondary
11 institution, seeks an exemption in state law from municipal taxation on parity with the
12 University of Alaska Anchorage, for all campus property, including all income-producing
13 property under lease to for-profit enterprise;
14

15 NOW, THEREFORE, the Anchorage Assembly recognizes and resolves:
16

17 1. Private accredited post secondary institutions make important social and
18 economic contributions to the community.
19

20 2. Alaska Pacific University receives no direct funding from the Municipality of
21 Anchorage.
22

23 3. Absent a change in state law, certain income-producing property of Alaska
24 Pacific University under lease to for-profit enterprise is not exempt from municipal property
25 tax.
26

27 4. The Alaska Legislature is encouraged to enact legislation authorizing a
28 municipal property tax exemption to Alaska Pacific University for all of its contiguous
29 Anchorage Campus, so that Alaska Pacific University campus property would be taxed no
30 more than University of Alaska Anchorage property.
31

32 PASSED AND APPROVED by the Anchorage Assembly this _____ day of
33 _____, 2008.
34

35
36 _____
Chair

37 ATTEST:
38
39

40 _____
Municipal Clerk