

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB 533  
 (H) Publish Date: 5/9/02

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
 Title AHFC Financing BRU Alaska Housing Finance Corp.  
of Government Office Building Component Operations  
 Sponsor House Rules Committee  
 Requester House State Affairs Committee Component No. 110

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

<b>OPERATING EXPENDITURES</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

HB533 would authorize AHFC to purchase -- in the Municipality of Anchorage -- either a building or a portion of a building for lease to state, federal and municipal government entities. AHFC does not have cost estimates related to a particular project envisioned by this authorization. The legislation authorizes a project that could either be new construction or acquisition of an existing building.

Attached is a spreadsheet illustrating estimates on debt service payments under different square footage and cost scenarios. These estimates are based on a 6% tax-exempt interest rate, with a 20-year debt payment schedule.

Potential savings and costs to the state can be calculated by comparing these estimates to assumptions for continued leasing of office space in Anchorage.

Prepared by: John Bitney, Legislative Liaison Phone 586-3587  
 Division Alaska Housing Finance Corporation Date/Time 5/8/02 4:25 PM  
 Approved by: Larry Persily, Deputy Commissioner Date 5/8/2002  
 Agency Department of Revenue

**House Bill 533 - FN#1**

Alaska Housing Finance Corporation  
Summary of Estimated Annual Debt Service for State Office Building  
Constructed (without land costs)

08-May-02

**Total Cost of Building**

Square Feet	Cost per Square Foot			
	\$ 175	\$ 200	\$ 225	\$ 250
30,000	\$ 5,250,000	\$ 6,000,000	\$ 6,750,000	\$ 7,500,000
40,000	7,000,000	8,000,000	9,000,000	10,000,000
50,000	8,750,000	10,000,000	11,250,000	12,500,000
60,000	10,500,000	12,000,000	13,500,000	15,000,000

**Annual Debt Service for Tax-Exempt Debt**

Square Feet	\$ 175	\$ 200	\$ 225	\$ 250
30,000	\$ 457,719	\$ 523,107	\$ 588,496	\$ 653,884
40,000	\$ 610,292	\$ 697,476	\$ 784,661	\$ 871,846
50,000	\$ 762,865	\$ 871,846	\$ 980,826	\$ 1,089,807
60,000	\$ 915,438	\$ 1,046,215	\$ 1,176,992	\$ 1,307,768

Average TIC                      6.000%  
Term of Bonds                    20