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Sherman Carter
Executive Vice President
474-7448

University of Alaska
Fairbanks, Alaska 99701

January 31, 1984



The Honorable Mae Tischer
Alaska State Legislature
Pouch V (MS 3100)
Juneau, AK 99811

Dear Representative Tischer:

Thank you very much for having permitted me to testify before the Health, Education and Social Services Committee last Friday with respect to CS for House Bill #32 and House Bills #466 and #467. The help which you and other representatives receiving copies of this letter give to the University of Alaska is deeply appreciated.

With respect to CS for House Bill #32, I was asked during the committee meeting how many students could be accommodated with the funding proposed in it for student housing in Anchorage. As I remember, I estimated about 275 students but said that I would report back on this matter, and that is one of the purposes of this letter. Related information is shown in the page immediately below.

I understand from discussions at the committee meeting last Friday that legislators intend for the student housing to be constructed in Anchorage to accommodate students from both UAA and ACC, and that is also the university's intent. I also understand that legislators want the housing to accommodate as many students as possible for the money, considering such things as the need for suitable construction which will not result in undue maintenance costs. The university administration will do the best it can to take care of these matters. Because of the special interest which Representative Walt Furnace has in student housing in Anchorage, I shall send a copy of this letter to him.

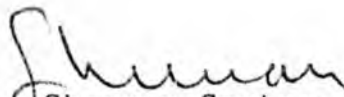
I shall work with Elmer Lindstrom to attempt to get suitable wording in House Bill #466 to place reasonable restrictions on how general fund money might be invested by the University of Alaska, to accommodate the concern which Representative Goll voiced during the committee meeting last week. To take care of this matter, I suggest a wording change along the line shown on

University of Alaska

The Honorable Mae Tischer
Page 2
January 31, 1984

the second page attached. Such a change would be meaningful, establish reasonable constraint, and would not inhibit efficient investment practices. As Representative Koponen pointed out during the committee discussions, the great need for liquidity in these specific, temporary investments of cash also helps preclude the possibility of many types of speculative investments.

Sincerely,


Sherman Carter

SFC/pe

Attachment

cc: Representatives M. W. Miller, Martin, Uehling, Goll,
Koponen, Davis and Furnace
President Jay Barton
Chancellors Biggerstaff and Outcalt
Mr. Elmer Lindstrom

JAN 31 REC'D

University of Alaska
Facilities Planning & Construction

January 31, 1984

TO: Sherman Carter
Executive Vice President

FROM: Fred King
University Architect 

SUBJECT: Anchorage Student Housing

You asked Chris how many more students could be accommodated in the Anchorage Housing project if the budget was increased from the Eleven Million Eight Hundred Thousand Dollars (\$11,800,000.00) requested to Fifteen Million Dollars (\$15,000,000.00). If we use the unit costs that were used to develop the budget we will be able to build 16 more apartments, housing an additional 64 students, raising the total student accommodations from 220 to 284.

Sherman, the budget was established anticipating a more traditional method of construction. Using the bidder design process, we now believe that we can accommodate about 250 students for the Eleven Million Eight Hundred Thousand Dollars (\$11,800,000.00) requested. An increase in the funding to Fifteen Million Dollars (\$15,000,000.00) would probably result in an increase in the capacity of the project to 324 students. Our consultant, William J. King and Associates, has not yet completed his first cost estimates for the project to confirm these expectations so we have not shared them with anyone.

dyb

cc: Christopher K. Ahoy
Director

Introduced: 1/9/84
Referred: Health, Education &
Social Services and Finance

*OK Regents
1/16/84*

1 IN THE HOUSE

BY MARTIN

2

HOUSE BILL NO. 466

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to appropriations to and fiscal
7 procedures of the University of Alaska; and providing
8 for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 14.40.250 is amended to read:

11 Sec. 14.40.250. REGENTS TO ACT AS TRUSTEES AND ADMINISTER MONEY
12 OR PROPERTY [FROM SOURCES OTHER THAN LEGISLATURE OR FEDERAL APPROPRI-
13 ATION]. The Board of Regents may receive, manage, and invest money or
14 other real, personal or mixed property ~~in any manner~~ received from any
15 source [SOURCES OTHER THAN THE STATE LEGISLATURE OR FEDERAL APPROPRI-
16 ATION] for the purpose of the University of Alaska, its improvement or
17 adornment, or the aid or advantage of students or faculty, and in
18 general, may act as trustee on behalf of the University of Alaska for
19 any of these purposes. ~~However,~~ ^{The} regents shall make a written
20 report to the legislature, in accordance with AS 14.40.190, as to the
21 administration and disposition of funds received [UNDER THIS SECTION].

22 * Sec. 2. AS 14.40.296(a) is amended to read:

23 (a) There is established in the treasury of the University of
24 Alaska the University of Alaska working capital reserve fund. The
25 fund consists of interest income from investments made by the Board of
26 Regents under AS 14.40.250 and money appropriated by the legislature
27 for the purpose of providing nonlapsing current working capital for
28 the University of Alaska and is not available for appropriation by the
29 Board of Regents.

Investment of general fund monies shall be made in
federal securities or shall be insured or collateralized.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 27, 1984

SUBJECT: Letter of Intent on CSHB 32 (HESS)

TO: Representative Mae Tischer
Chairman, House HESS Committee

FROM: *LHA* Linn H. Asper
Legislative Counsel

Letter of intent:

It is the intent of the Health, Education and Social Services Committee in adopting a committee substitute to HB 32, that the appropriation made by that bill to the University of Alaska be used for the construction of dormitories at the Anchorage campus that will be available for the use of the Anchorage Community College as well as the University of Alaska, Anchorage.

LHA:ojb
J3/007

*Mae -
Linn Asper, Legislative Counsel, said that
this "letter of intent" underscores the
language in CSHB 32 and makes it
doubly clear what the Committee meant
by the language.*

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

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LHA:ojb
J3/007

HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE
Friday, 27 January 1984
1:15 p.m.

Agenda

Call to Order

Comments by Representative Mae Tischer, Chairman

Testimony on HB 32, "An Act making a special appropriation to the University of Alaska for construction of dormitories at the Anchorage campus; ED."

Testimony on HB 466, "An act relating to appropriations to and fiscal procedures of the University of Alaska; ED."

Testimony on HB 467, "An Act making special appropriations to the University of Alaska working capital reserve fund and to the University of Alaska to pay obligations from past fiscal years; ED."

Comments by members

Announcements

Adjournment

MAR 20 1983

University of Alaska, Anchorage
Proposed Student Housing
Walsh/Rosenell Development
February, 1983

A. Project Assumptions

1. The proposed development concept is to build a turnkey 100 unit apartment styled dormitory housing 400 students.
2. Each dormitory unit consists of a separate entry deck, 4 bedrooms, one bath, complete kitchen and dining area, a living room, storage areas and outdoor deck, and all room appliances and furnishings. The Floor plan totals 1080 SF.
3. The property required for the project is 3.5 acres including landscaping and walkways. The proposal calls for the project to be developed on University owned land with a dollar per year nominal lease for thirty years.
4. The project also includes common facilities of a 4000 SF student lounge, a 400 SF laundry facility and a dormitory office.

5. Construction is a three-story walk-up; type V-1hr wood frame building.
6. Utilities are common, with students paying as part of their monthly rent, one fee for heat, lights, water, sewer, garbage and janitorial. Students will be responsible for cleaning their individual units.
7. The developers are proposing a turnkey project in which they will design, build, and manage the project. University approval will be required on design specifications.
8. The University will be financially responsible for site selection, road improvement to site, offstreet parking if required, and utilities to curbside. The developers will assume all costs beyond curbside. (The developers will serve as construction manager on the University improvements if requested by the University).

B. Project Financing

1. Cost estimates for the project are as follows:

a. Dwelling Units and Furnishings 100 units @ 1080SF @\$47.00/SF	\$5,076,000
b. Student Center Amenities 4600SF @ \$80.00/SF	368,000
c. Site Development \$100,000/acre @ 3.5 acres	350,000
d. Architectural-Engineering	300,000
e. Interim Financing	300,000

f. AIDA Loan Fees	\$250,000
g. Overhead and Administration	400,000
	<hr/>
Total Estimated Development (not including land)	\$7,044,000

Cost per SF	:	\$63.00
Cost per Unit	:	\$70,440
Cost per Student	:	\$17,610

2. Total monthly rents for students are suggested to be set at \$170 per month with a CPI increase of 8% annually.
3. Proposed finance method is for the developers to assume 100% of the financing obligation and for the University to guarantee the lease of the facility.
4. Responsibilities of the Developers/Managers include:
 - a. Maintaining the facility to University standards
 - b. Managing the facility, including all janitorial requirements within the facility, all facility maintenance, utility, insurance, and office payments, bookkeeping, and protecting the general condition of the facility.
 - c. Maintaining a replacement reserve to keep all facility furnishings and appliances in approved condition.
5. Responsibilities of the University include:
 - a. Maintaining the University grounds surrounding the dormitory facility

- b. Collecting rent payments with the term tuition payments.
 - c. Inspecting/approving facility to insure proper specifications are met.
6. Having reviewed several methods of financing the developers propose the following:
- a. The requirements of offering inexpensive student rent prohibits obtaining the required rate of return to normally interest a private developer;
 - b. By making a financial arrangement whereby the University guarantees to lease 100% of the facility, and contributes a site for development, then the University in effect brings the project to the minimally accepted break-even requirement.
 - c. In response to the University contributions, the developers will then allocate to the University 100% of the excess rental income over the developers costs, management and operational costs, and replacement reserve. This should amount to several hundred thousand dollars per year to the University.
 - d. Details of the cash flow of the project are following in this proposal.
7. The developers have based their financial assumptions on receiving an AIDA loan or conventional at 11.6% with 90% financing over 30 years.
8. The University assumes ownership of the facility after 30 years for one dollar. All obligations of the developer/manager end at that time.

C. Project Timetable

1. Proposed plan can be 100% completed in approximately 7 months construction. The following schedule is achievable:

- | | |
|----------------------------|--------------|
| a. Design and engineering | 1 1/2 months |
| b. Completion of 200 units | 4 1/2 months |
| c. Completion of 400 units | 3 months |

2. In order to have the facility prepared for the next school year (september '83) the following schedule is required:

- | | |
|----------------------------|----------|
| a. Project approval | March 15 |
| b. Design and Engineering | May 1 |
| c. Groundbreaking | May 1 |
| d. Completion of 200 units | Sept. 15 |
| e. Completion of 400 units | Dec. 15 |

D. Options

1. The developers have some flexibility to reconfigure the project if minor changes would more fully meet the needs of the University. These options include phasing the project with different size units, or a different number of units, or discussing other financing relationships that would not alter the minimally acceptable requirements of the developers.

E. Contractor History

1. Tom Walsh Construction Co. has nearly 20 years experience in the low cost and multiple unit construction field, completing over

1. (cont.) 3000 multiple units.
2. Walsh Construction has recently completed 4 major University housing projects valued at over 16 million dollars. These projects include two dormitories at the University of Washington and two dorms at Washington State University.
3. Walsh Construction has built many turnkey projects throughout the northwest and in climates similar to Anchorage's, such as the W.S.U. Dormitories at Pullman.

F. Cash Flow Analysis

1. The following analysis has been run for 15 years for the sake of brevity; the same format continues for years 16-30.

G. Mailing Address

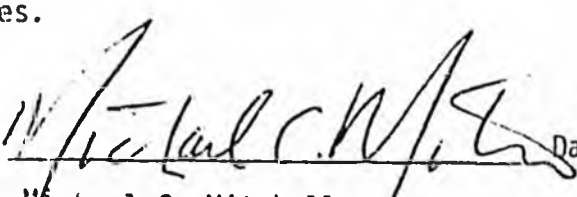
The Rosenell Group
215 Second Avenue
Suite 215
Anchorage, Alaska 99501

Att: Michael C. Mitchell

Phone: 279-1037

Note: This proposal is to serve as a general guideline to gain conditional University approval. The developer understands that the final acceptance of the project by the University will require approvals of the actual project plans and specifications. The project timetable is also subject to the municipality and all other permitting agencies.

Signing for the Developers:


Michael C. Mitchell

Date:

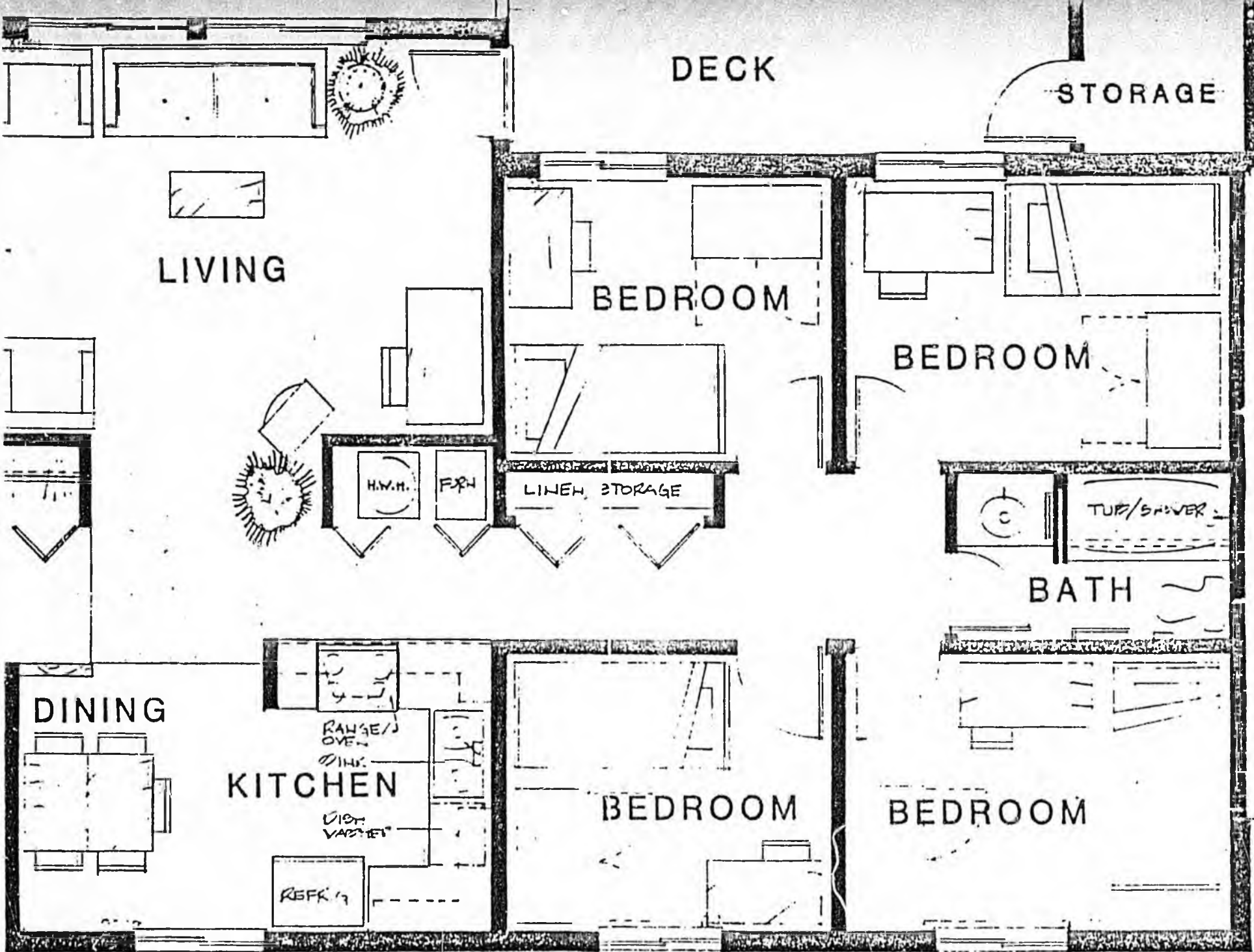
3/1/83

UNIVERSITY DORMITORY PROPOSAL

CASH FLOW ANALYSIS

YEAR	STUDENT FEE/MTH	OCCUPANCY REVENUE (100%)	BUILDING AMORTIZATION	OPERATING EXP. REPLAC. RESERVE	DEVELOPERS CASH REQ.	INTEREST ON STUDENT DEP.	PROJECT INCOME	UNIVERSITY INCOME	UNIVERSITY INCOME (CUM)
1	\$170	\$816,000	\$658,000	\$250,000	\$908,000	\$25,000	\$841,000	(67,000)	(\$67,000)
2	183	878,400	658,000	275,000	933,000	27,000	905,000	(28,000)	(95,000)
3	198	950,400	658,000	300,000	958,000	29,000	979,400	21,400	(73,600)
4	214	1,027,200	658,000	355,000	1,013,000	31,000	1,058,200	45,200	(28,400)
5	231	1,108,800	658,000	416,000	1,074,000	33,000	1,141,800	67,800	39,400
6	249	1,195,200	658,000	477,000	1,135,000	35,000	1,230,200	99,200	134,600
7	269	1,291,200	658,000	543,000	1,201,000	37,000	1,328,200	127,200	261,800
8	291	1,396,800	658,000	612,000	1,270,000	39,000	1,435,800	165,800	427,600
9	314	1,507,200	658,000	686,000	1,344,000	41,000	1,548,200	204,200	631,800
10	339	1,627,200	658,000	765,000	1,423,000	43,000	1,670,200	247,200	879,000
11	366	1,757,400	658,000	848,000	1,506,000	45,000	1,802,400	296,400	1,175,400
12	395	1,896,000	658,000	938,000	1,596,000	47,000	1,943,000	347,000	1,522,400
13	427	2,049,600	658,000	1,034,000	1,692,000	49,000	2,098,600	406,600	1,929,000
14	461	2,212,800	658,000	1,138,000	1,796,000	51,000	2,263,800	476,800	2,396,800
15	498	2,390,400	658,000	1,250,000	1,908,000	53,000	2,443,400	535,400	2,932,200

16 - 30 similar schedule



FLOOR PLAN

Municipality
of
Anchorage



POUCH 6-650
ANCHORAGE, ALASKA 99502-0650
(907) 264-4111

TONY KNOWLES,
MAYOR

DEPARTMENT OF HEALTH AND ENVIRONMENTAL PROTECTION

November 30, 1982

Representative Terry Martin
1024 West Sixth Avenue
Anchorage, AK 99501

SUBJECT: Dormitories for the University of Alaska, Anchorage
Campus

Dear Representative Martin:

I am pleased to provide the following information to support the construction of dormitories for the University of Alaska, Anchorage.

As the manager of the Division of Environmental Health, I supervise the Air Quality Program for the Municipality of Anchorage. I also represent the director of the Municipal Department of Health and Environmental Protection on the Southcentral Clean Air Authority and on the AMATS Technical Advisory Committee.

The Federal Clean Air Act contains provisions requiring compliance with mandatory federal standards. Anchorage is a "non-attainment" area under the standards, and as such must come into compliance with the standards by July 1, 1985. To do so, the Municipality must implement severe and immediate measures to control carbon monoxide. These measures will include mandatory inspection and maintenance of automotive vehicles, increases in the use of public transportation, carpooling and other measures. However, even with the full implementation of these measures, the analysis shows that Anchorage will not be able to comply with the standards. We must therefore look at every available possibility to reduce carbon monoxide concentrations.

Almost all of the carbon monoxide problem comes from the exhaust of gasoline-powered vehicles. A reduction in the use of automotive vehicles will help in reaching the attainment standards of the Clean Air Act.

LETTER, REPRESENTATIVE TERRY MARTIN
NOVEMBER 30, 1982
PAGE 2

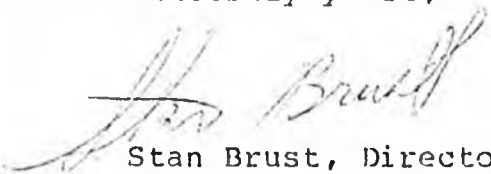
This department therefore endorses the construction of dormitories at the the University campus in Anchorage. At the present time, students who attend the University must live off campus, and this will necessitate the use of a car to attend school. Once a student has purchased a car, there is no reason not to use it for other purposes such as shopping, visiting friends, etc.

If the same student lived on campus, however, the prime motivation for owning a car would be eliminated. The student would then use public transportation for shopping and other purposes.

I don't want to understate the importance of achieving the carbon monoxide standards in Anchorage. The impact on the health of those persons in the community susceptible to respiratory diseases has been well-documented, and a serious health hazard may result if levels are not brought down to acceptable values.

I hope this information is of assistance to you in your deliberations.

Sincerely yours,



Stan Brust, Director
Division of Environmental Health

SB.L2/su/D27