

**SB**

**304**

WALTER J. HICKEL  
GOVERNOR



HB 466  
P. O. Box 110001  
Juneau, Alaska 99811-0001  
(907) 465-3500

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 11, 1994

The Honorable Ramona L. Barnes  
Speaker of the House  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear Speaker Barnes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill authorizing the issuance of Alaska Housing Finance Corporation and University of Alaska bonds for repair and rehabilitation of university facilities.

This legislation will provide funding to partially meet the university facilities' deferred maintenance needs throughout the state. The Legislature's approval of my bill last session creating the educational facilities maintenance and construction fund was a start in stepping up to our responsibilities in investing in the state's existing infrastructure. But it was only a start. We now have the responsibility to continue to meet the university's critical needs.

The bill I am proposing authorizes the Alaska Housing Finance Corporation to issue \$30 million in bonds for student housing repair and rehabilitation, and authorizes the University of Alaska to issue \$45 million in bonds for repair and rehabilitation of other university facilities. This program will allow the buildings to be repaired now, with costs of the upgrades spread over the remaining useful life of the facilities. Repayment of the debt service will be made from annual legislative appropriations from the Alaska debt retirement fund (AS 37.05.011). The historic low interest rates currently prevailing in the national capital markets, combined with reduced future maintenance and operating costs brought about by fixing the university facilities, makes this approach particularly appropriate this year.

I urge your early and favorable consideration of this legislation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Walter J. Hickel".

Walter J. Hickel  
Governor

**University of Alaska  
Repair and Rehabilitation Bond Package**

	University of Alaska \$45 million Facilities Repair & Rehabilitation	Alaska Housing Finance Corp. \$30 million Student Housing Repair & Rehabilitation
<b>University of Alaska Anchorage</b>		
Anchorage Campus	\$7,408,300	\$2,455,000
Kenai Peninsula College	\$65,000	
Kodiak College	\$230,300	
Matanuska-Susitna College	\$465,000	
Prince William Sound Community College	\$900,000	\$664,000
Total UA Anchorage	<u>\$9,068,600</u>	<u>\$3,119,000</u>
<b>University of Alaska Fairbanks</b>		
Fairbanks Campus	\$26,524,500	\$22,793,700
Bristol Bay Campus	\$300,000	
Chukchi Campus	\$372,800	
Kuskokwim Campus	\$1,047,100	\$75,000
Northwest Campus	\$756,700	
AFES Palmer	\$402,000	
AFES Mat-Su Farm	\$822,500	
Total UA Fairbanks	<u>\$30,225,600</u>	<u>\$22,868,700</u>
<b>University of Alaska Southeast</b>		
Juneau Campus	\$462,600	\$929,700
Ketchikan Campus	\$319,300	
Sitka Campus	\$300,000	
Total University of Alaska Southeast	<u>\$1,081,900</u>	<u>\$929,700</u>
<b>Total Repair &amp; Rehabilitation Projects</b>	<u>\$40,376,100</u>	<u>\$26,917,400</u>
Bond Issuance Costs	\$900,000	\$600,000
Required Debt Reserve	<u>\$3,723,900</u>	<u>\$2,482,600</u>
<b>Total Bond Issue</b>	<b>\$45,000,000</b>	<b>\$30,000,000</b>

	G	H	I
508	University of Alaska Deferred Maintenance		
509	Non-Residential Projects - by Campus, by Building		
510			
511	Arts Building		23,000
512	Auto/Diesel Building		35,000
513	Aviation Tec. Ctr.		19,000
514	Campus		2,904,435
515	Campus Center		175,000
516	College of Arts & Science		246,100
517	Cuddy Center		110,700
518	Downtown Center		337,950
519	Hartlieb		152,000
520	Building K		626,300
521	Library		440,000
522	McDonald		277,450
523	Monserud		604,500
524	Science Building		86,800
525	Short Building		564,000
526	Sports Center		412,265
527	Student Center		295,000
528	Williamson		98,800
529		Anchorage Campus Total	7,408,300
530			
531	Campus, KOC		114,800
532	Voc-Ed, KOC		35,500
533		Kodiak Campus Total	230,300
534			
535	Homer, KPC		65,000
536		Kenai Peninsula Campus Total	65,000
537			
538	Campus, MSC		240,000
539	Kertula, MSC		225,000
540		Mat-Su Campus Total	465,000
541			
542	PWSCC		900,000
543		PWSCC Total	900,000
544			
545	University of Alaska Anchorage		9,068,600
546			
547			
548	AHRC		740,000
549	Brooks Building		427,414
550	Bunnell Building		1,910,000
551	Bunnell House		10,000
552	Coal Lab		25,000
553	Constitution Hall		180,000
554	Duckering Building		2,112,000
555	Elvey Building		400,000

G	H	I
		1,430,000
um		1,039,350
uiding		70,000
		1,203,000
		385,000
ing		4,438,000
er		6,100,000
rena		850,000
ant		170,000
		570,000
us Wide		2,909,736
		765,000
ter		190,000
	Fairbanks Campus Total	26,524,500
		300,000
	Bristol Bay Campus Total	300,000
		347,837
		24,963
	Chukchi Campus Total	372,800
		150,000
LC)		26,000
		10,000
		30,000
		756,138
all		74,962
	Kuskokwim Campus Total	1,047,100
		80,000
		225,648
age		41,000
n		90,000
DE		105,052
c		115,000
		100,000
	Northwest Campus Total	756,700
		110,008
Office/Lab		291,992
	AFES Palmer Total	402,000
		150,000
		300,000
arage		9,961
Treat		125,000
Mix Facility		37,539

G	H	I
604	Water Reservoir	200,000
605	AFES Mat-Su Farm Total	822,500
606		
607	University of Alaska Fairbanks	30,225,600
608		
609		
610	Anderson	78,005
611	Bill Ray	12,095
612	Child Care	9,333
613	Child Center	6,667
614	Egan	93,900
615	Lee Street	46,600
616	Marine Tech	14,566
617	Mourant	41,333
618	Novatney	24,000
619	UAS Site	20,000
620	Soboleff	33,334
621	Welding Lab	60,000
622	Whitehead	22,667
623	Juneau Campus Total	462,600
624		
625	Hamilton	16,000
626	Paul/Ziegler/Robert	216,800
627	Ziegler	86,500
628	Ketchikan Campus Total	319,300
629		
630	Hangar 332	300,000
631	Sitka Campus Total	300,000
632		
633	University of Alaska Southeast Total	1,081,900
634		
635	Total Non-Residential Deferred Maintenance Projects	40,376,100
636		
637	Bond Issuance Costs	900,000
638	Required Debt Reserve	372,390
639	Total Bond Issue	45,000,000

UNIVERSITY OF ALASKA ANCHORAGE  
STUDENT HOUSING DEVELOPMENT PHASE II  
FY 95

project need:

The University of Alaska Anchorage needs and can support operationally additional STUDENT HOUSING. UAA's Housing Master Plan projects housing growth to 1,436 beds in 1995, today there are 334 beds. Today, the UAA housing office gives preference to those students living beyond the greater Anchorage area. The housing office maintains substantial waiting lists throughout the semester for any available housing openings and today can provide housing to only 15% of its students. Local students are seldom able to derive benefits from an on-campus living experience.

UAA today needs 500 additional beds. Dorm style housing is the most cost effective and efficient method to provide this number of beds. Additionally, dorm style housing will provide UAA with a mix of housing types, that of new dormitory rooms and existing apartments.

This facility will include shared dorm rooms with associated compartmentalized bathrooms, accessory spaces for study, lounge, laundry etc. and food service. A food service plan will be a part of the housing program for dorm and apartment students and is an essential part of a campus residential life program.

An alternative that would meet a portion of the demand would be the reduction to a 300 bed facility with food service.

project budget: \$28,500,000

A capital appropriation of \$28.5 million, will fund planning, design and construction costs. This facility would be constructed adjacent to the existing student housing facilities on University land.

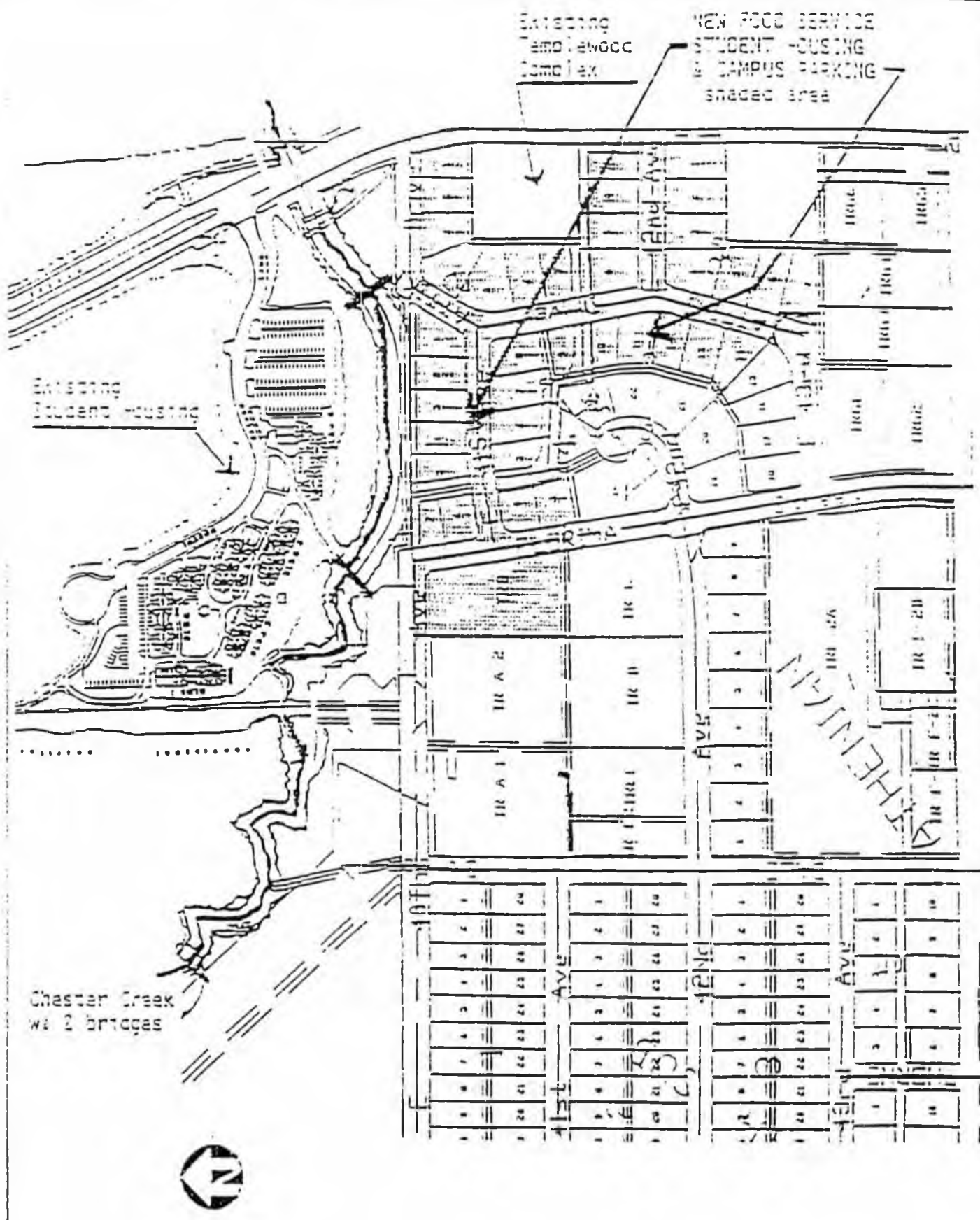
If bond indebtedness were to fund the 500 bed Phase II Housing Project, then the total cost would be \$57,150,000. This reflects a debt term of 15 years at an annual debt service cost of \$3,310,000 per year.

The cost for a 300 bed Phase II Housing Project would be capital cost of \$19 million, with a bond indebtedness cost of \$33,100,000 with a debt term of 15 years with annual debt service cost of \$2,540,000 per year.

project benefit:

This additional student housing will benefit the University of Alaska Anchorage with additional beds, affording more students a residential campus-life experience. Additional benefits will accrue to the Municipality of Anchorage and State of Alaska with more students spending money in the community for goods and services, creating an economic benefit for those business. This would provide additional tax revenue in the community.

The additional beds will also provide the University of Alaska Anchorage a greater opportunity for summer educational conferences, which will bring educators from across the country to our city, which also translates into additional revenue to our community and the State of Alaska.



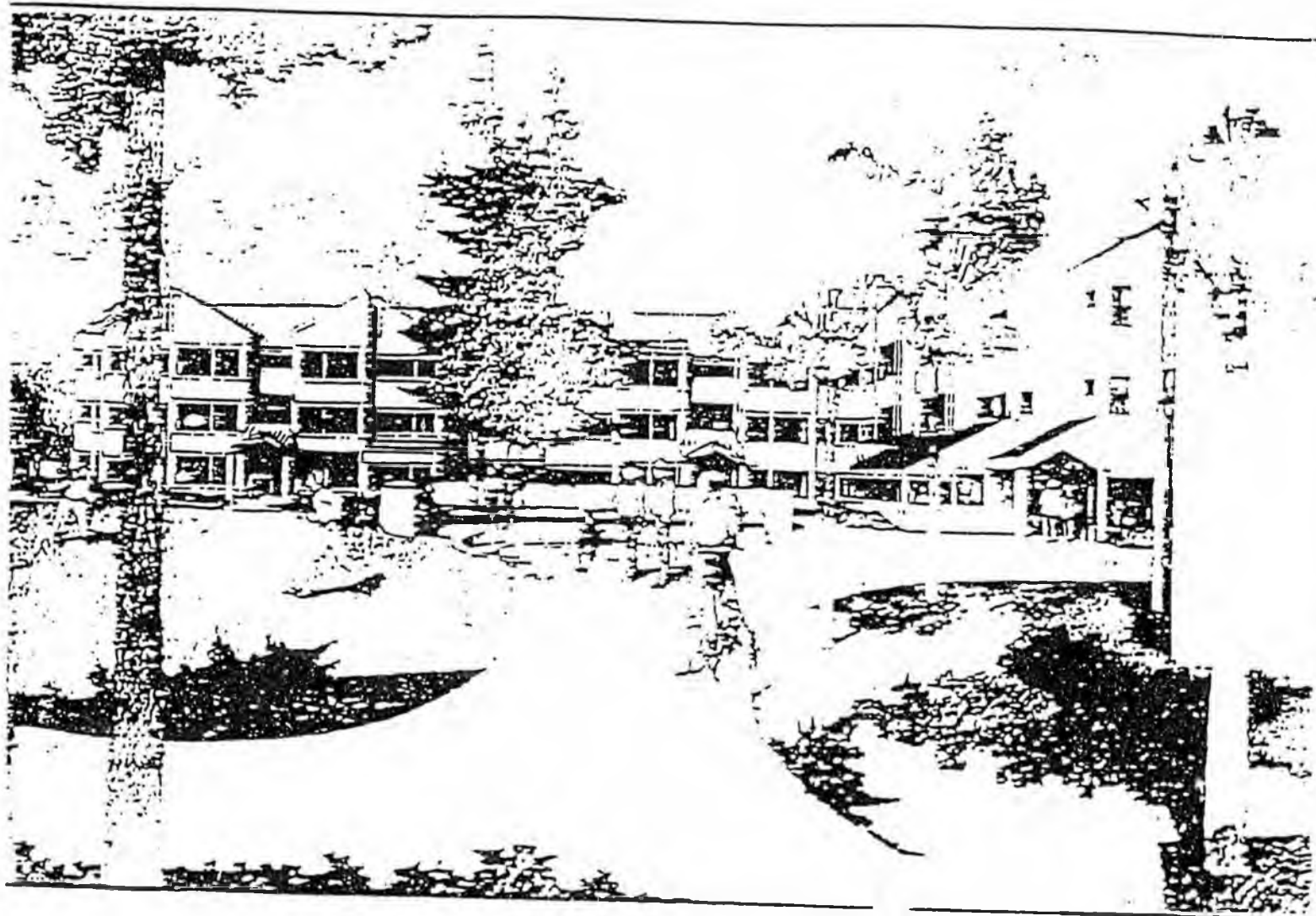
**FACILITIES INVENTORY  
SITE PLAN**



**UAA STUDENT HOUSING**

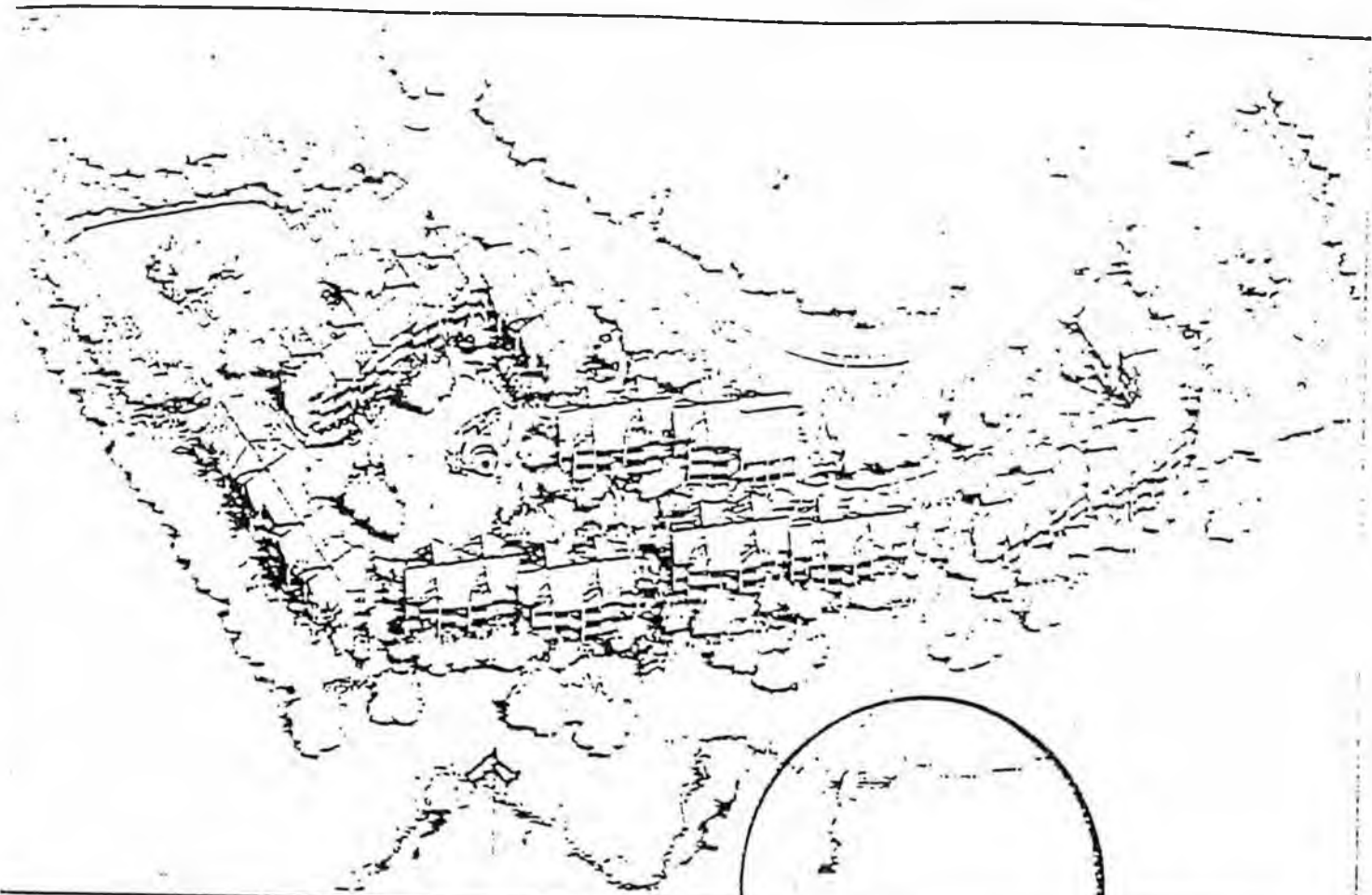
UNIVERSITY OF ALASKA  
PLANNING & CONSTRUCTION

DATE	
BY	
FOR	
SCALE	
PROJECT NO.	
DRAWING NO.	



UNIVERSITY OF ALASKA STUDENT HOUSING

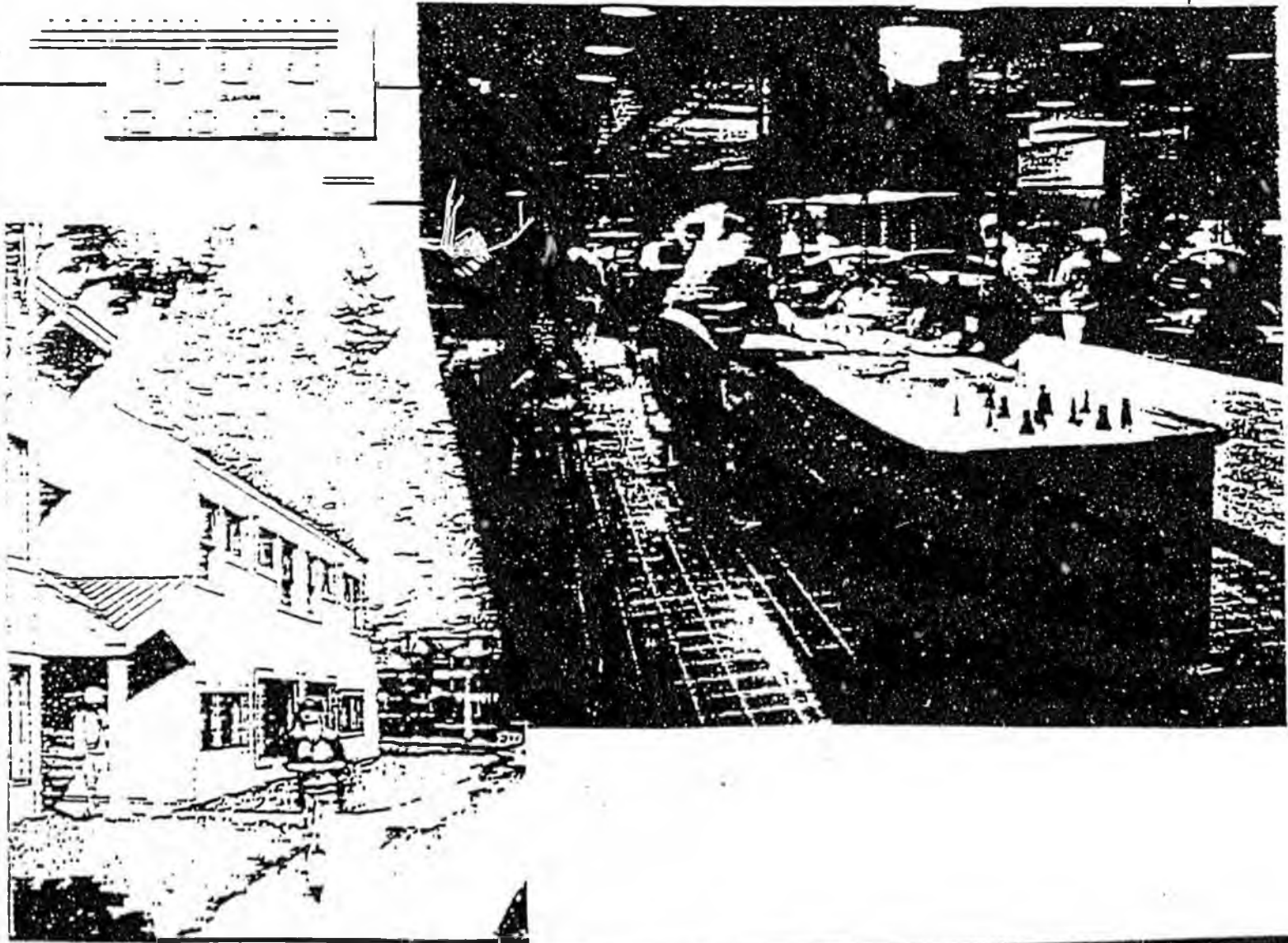
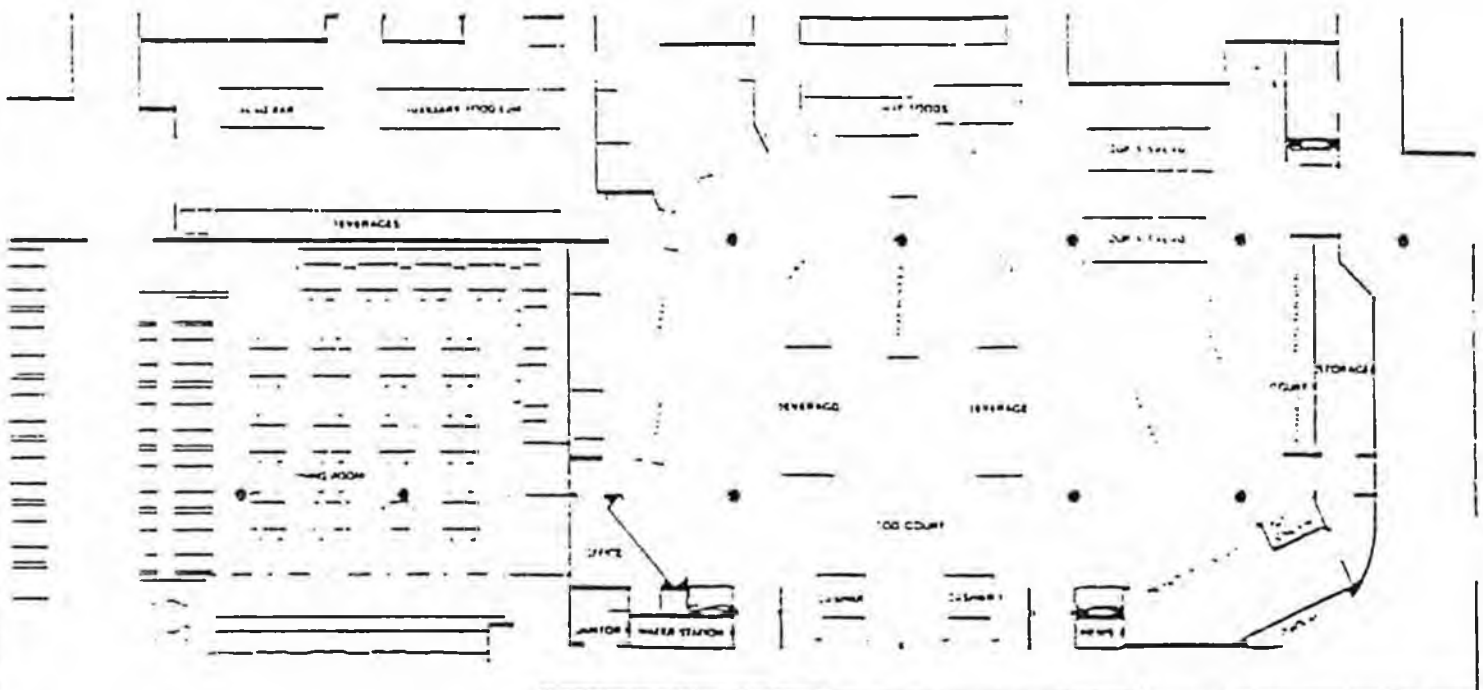
Anchorage, Alaska



- Existing Housing  
Sagron Lane
- Student Housing Phase II
- Existing Tanglewood Housing

STUDENT HOUSING PHASE II will support both existing and new housing with food service.

FOOD SERVICE - an essential part of a campus residential life program



	300 Beds Plus Food Service	500 Beds Plus Food Service
<b>Project Costs</b>		
Food Service for 500 300 Beds	\$7,500,000	\$7,500,000
300 Beds	\$11,500,000	N/A
	N/A	\$21,000,000
<b>Total Project Cost</b>	<b>\$19,000,000</b>	<b>\$28,500,000</b>
<b>Bond Issuance Costs</b>		
Fees	\$100,000	\$100,000
Issuer Discount	\$243,000	\$364,500
Capitalized Interest	\$2,756,800	\$4,134,300
Required Debt Service Reserve	\$2,541,250	\$3,961,375
Interest Earned during Construction	(\$451,385)	(\$677,323)
Rounding	\$1,035	\$1,555
<b>Total Bonds Issued</b>	<b>\$24,290,000</b>	<b>\$36,335,000</b>
<b>Debt Term</b>		
Annual Debt Service	15 years \$2,340,000	15 years \$3,310,000
<hr/>		
<b>TOTAL BOND PAYSACK</b>	<b>\$38,100,000</b>	<b>\$57,150,000</b>

TABLE IV.12: --

Expected Occupancy of Students

<u>Year</u>	<u>Occupancy by Phase *</u>	<u>Accumulated Occupancy *</u>	<u>Demand for Occupancy</u>	<u>Occupancy Year</u>
1970	1114	1114	500	1114
1971	1114	2228	1,000	1114
1972	1114	3342	1,500	1114
1973	1114	4456	2,000	1114
1974	440	4896	2,500	1114
1975	440	5336	3,000	1114
1976	440	5776	3,500	1114

\* \* Expected occupancy per construction schedule

The recommendation is for the purpose of facility programming rather than just demand for student housing.

\*\* Information from Campus Housing Feasibility Study/Market Analysis by Leonard Lane Associates.

TABLE 17.11:

Applications and Placement in Housing  
 as a Percentage of Full-time Enrollment,  
 by Control and Type of Institution,  
 Fall 1980

Control and Type of Institution	Housing Applications as a Percentage of Full-time Enrollment	Students Placed in Housing as a Percentage of	
		Housing Applications	Full-time Enrollment
All Institutions	48	86	42
Universities	40	84	35
4-year Colleges	51	87	45
2-year Colleges	43	75	33
Public Institutions	50	83	38
Universities	48	86	37
4-year Colleges	43	79	34
2-year Colleges	39	86	24
Private Institutions	51	88	45
Universities	53	79	42
4-year Colleges	52	95	50
2-year Colleges	73	66	30

UAA % of students placed in housing is 2.6%

\* Information from Campus Housing Feasibility Study/Market Analysis by Leonard Lane Associates.



RESOLUTION 94-0228

A RESOLUTION BY THE GREATER FAIRBANKS CHAMBER OF COMMERCE  
REGARDING THE UNIVERSITY OF ALASKA FACILITIES REPAIR AND  
REHABILITATION BOND ISSUANCE

WHEREAS, the Greater Fairbanks Chamber of Commerce recognizes the significant economic and cultural contribution the University of Alaska makes to our community and the State of Alaska, and

WHEREAS, the University of Alaska-Fairbanks campus is the site for 60 percent of the University of Alaska statewide buildings, and

WHEREAS, 90 percent of those buildings are more than 20 years old and the total averages 24 years, and

WHEREAS, maintenance/repair work on subject buildings has been woefully neglected over the years, and


WHEREAS, several of University of Alaska's major facilities, i.e., Bunnell, Schaible Auditorium, Eielson, student housing and others are in need of major repair and rehabilitation, and

WHEREAS, the Governor has requested the Alaska State Legislature to authorize the issuance of \$75 million in bonds to partially finance the cost of major repair and rehabilitation projects required by University of Alaska facilities to extend the economic life of subject buildings, bring the structures in compliance with building codes, and improve major general operating efficiencies of the facilities, and


NOW, THEREFORE, BE IT RESOLVED that the Greater Fairbanks Chamber of Commerce requests the Legislature to fund the repair and rehabilitation costs of University of Alaska facilities by issuing bonds as required in the passage of House Bill 466 and Senate Bill 304.

Dated this 28th Day of February, 1994.

By

  
Margo Goodhew  
President/CEO

By

  
Keith D. Burke  
Chairman of the Board

HB 466/SB 304 — Bonding for repair and rehabilitation of UA facilities

The Background

After years of inadequate funding, the backlog of deferred maintenance projects now totals more than \$150 million for the University of Alaska system. Over the past decade, the university has sought nearly \$180 million for maintenance projects, and received less than one third of that amount. The result is that the facilities on every campus, particularly the oldest campuses in Fairbanks and Ketchikan, are in dangerous states of disrepair.

Colleges and universities around the country face similar problems. In 1988, inadequate funding forced U.S. colleges and universities to defer \$4 of needed maintenance for every dollar spent. The combination of flat funding and increasing enrollments continue to force institutions of higher education to "spend down" plant assets to meet these conflicting demands. The associated costs of these efforts are considerable. In addition to obvious problems of health and safety, there is a major loss of program flexibility, energy efficiency, and optimum space utilization in deteriorating facilities.

The Board of Regents has made capital improvement maintenance its highest priority and the university wants the problem resolved this year either through passage of bonding legislation or direct appropriation. Further, to avoid slipping backwards, the regents are requiring a three-to-four-year plan to increase the amount of funds directed to ongoing maintenance.

Current Status

The governor and the legislature have a strong commitment to protecting the state's investment in its infrastructure. At the request of Governor Hickel, House Bill 466 and Senate Bill 304 have been introduced to address \$75 million of the problem. The bills call for the Alaska Housing Finance Corporation to issue \$30 million in bonds for student housing, and the university to issue another \$45 million in bonds for repair of classroom, office and laboratory facilities throughout the system.

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Over the past decade, the university has sought nearly \$180 million for maintenance projects, and received less than one third of that amount.

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Anchorage campus	\$ 7,408,300
Kodiak Campus	230,300
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Northwest Campus	756,700
AFES Palmer	402,000
AFES Mat Su	822,500
Juneau Campus	462,600
Ketchikan Campus	319,300
Sitka Campus	300,000

Bonds make sense this year because the state's outstanding debt service is declining, and bond interest rates last year were the lowest since the 1960s.

*For information on university*

Position Paper

**contact:**

Wendy Redman 474-4782, Fairbanks  
463-3086, Juneau

# Alaska State Legislature



Senate Minority Leader  
Chair, Judiciary Committee  
Vice Chair, Community &  
Regional Affairs

Member, State Affairs Committee  
Committee on Committees  
Western States Legislative Forestry Task Force  
Legislative Council

State Capitol  
Juneau, Alaska 99801-1152  
907-465-3873  
Fax: 907-465-3922

352 Front Street  
Ketchikan, Alaska 99901  
907-225-8088  
Fax: 907-225-0713

**Senator Robin L. Taylor**

## MEMORANDUM

**TO: Senator Steve Rieger, Chair  
Senate HES Committee**

**FROM: Senator Robin L. Taylor**

**DATE: 4/20/94**

**REF: Addition of Student Housing to UA Bond Package**

\*\*\*\*\*

As your committee considers the possible expansion of the bond package requested by the Board of Regents for deferred maintenance to include new student housing, please consider including this modest proposal from the Ketchikan Campus-UAS.

There is currently no student housing at Ketchikan. Expansion of housing availability at the Juneau campus, combined with the existing housing at Sitka would put Ketchikan at a serious competitive disadvantage in efforts to attract a larger student population.

I believe UAS-Ketchikan should be included in any expansion of the bond package in the amount of \$1.5 million. That would cover land acquisition, site preparation and the design and construction of a facility housing 20 students. Option B of the Ketchikan proposal would provide a facility that could be used for single or family student housing. The two-bedroom apartment design, with a kitchen area would be preferable over the dorm-style rooms, which would require a communal kitchen and its associated costs.



(907) 465-6484  
FAX: (907) 465-6527

University of Alaska Southeast  
Facilities Planning & Construction  
P.O. Box 210049  
Auke Bay, Alaska 99821

April 11, 1994

**MEMORANDUM**

**TO:** Marshall Lind, Chancellor  
University of Alaska Southeast

Fran Felnerman, Director  
Ketchikan Campus

**FROM:** Jack Wolever, Regional Director  
Facilities Planning & Construction

JACK WOLEVER - MRG

**RE:** KETCHIKAN HOUSING

Enclosed are three options for student housing. Option A is Residence Hall Housing similar to the Juneau proposal but with some accommodation for cooking. It is the lowest cost per bed solution. It will not meet needs of the single parent or family student.

Option B is the most appropriate solution providing two bedroom apartments that can be used for single or family student housing. Each can accommodate up to 4 students.

Option C is efficiency style apartments. I have assumed that no more than 2 students could share an efficiency because of lack of space. This is the most costly solution measured by the cost per bed.

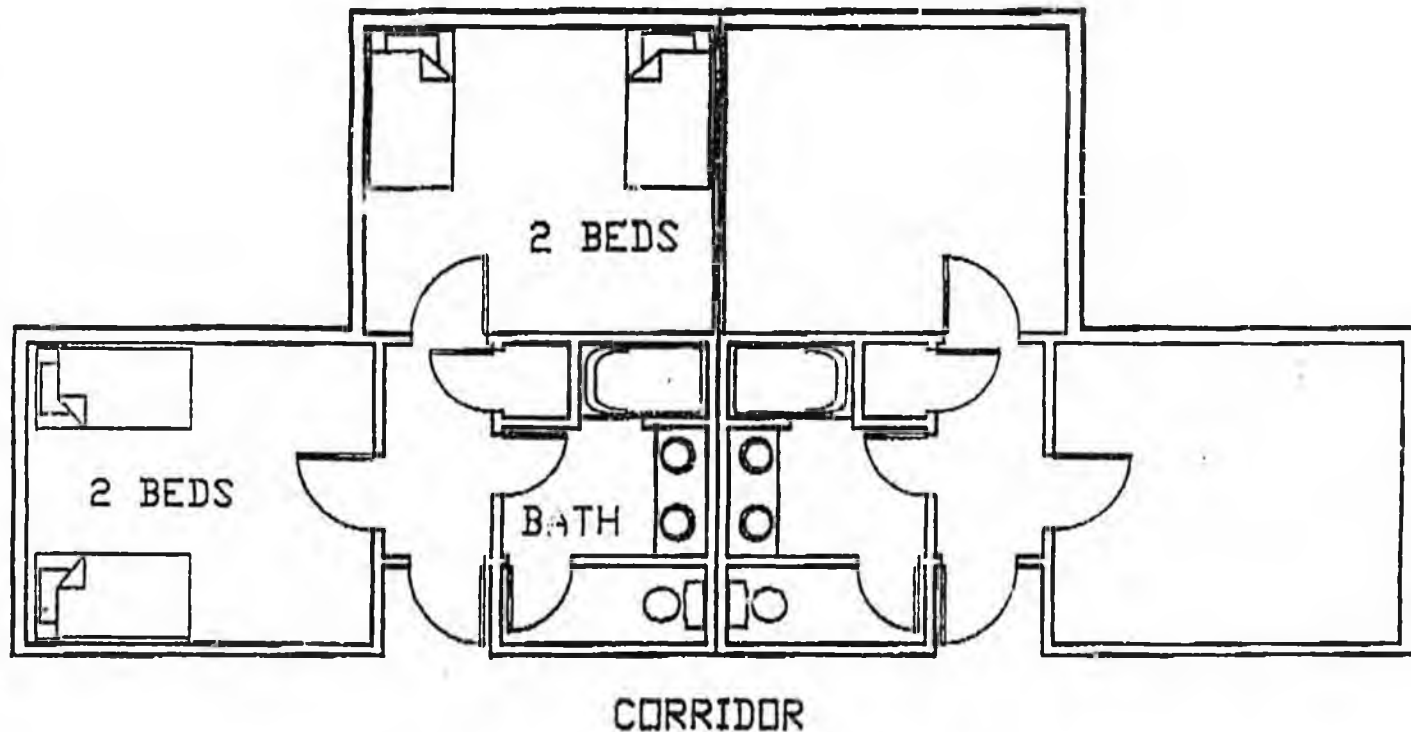
Please let us know what adjustments to these options, or what additional options, you would like to see.

**Attachments**

cc: Mike Greene  
11.110

## UAS Ketchikan Student Housing

Facilities Planning and Construction



### OPTION A - Single Student Housing

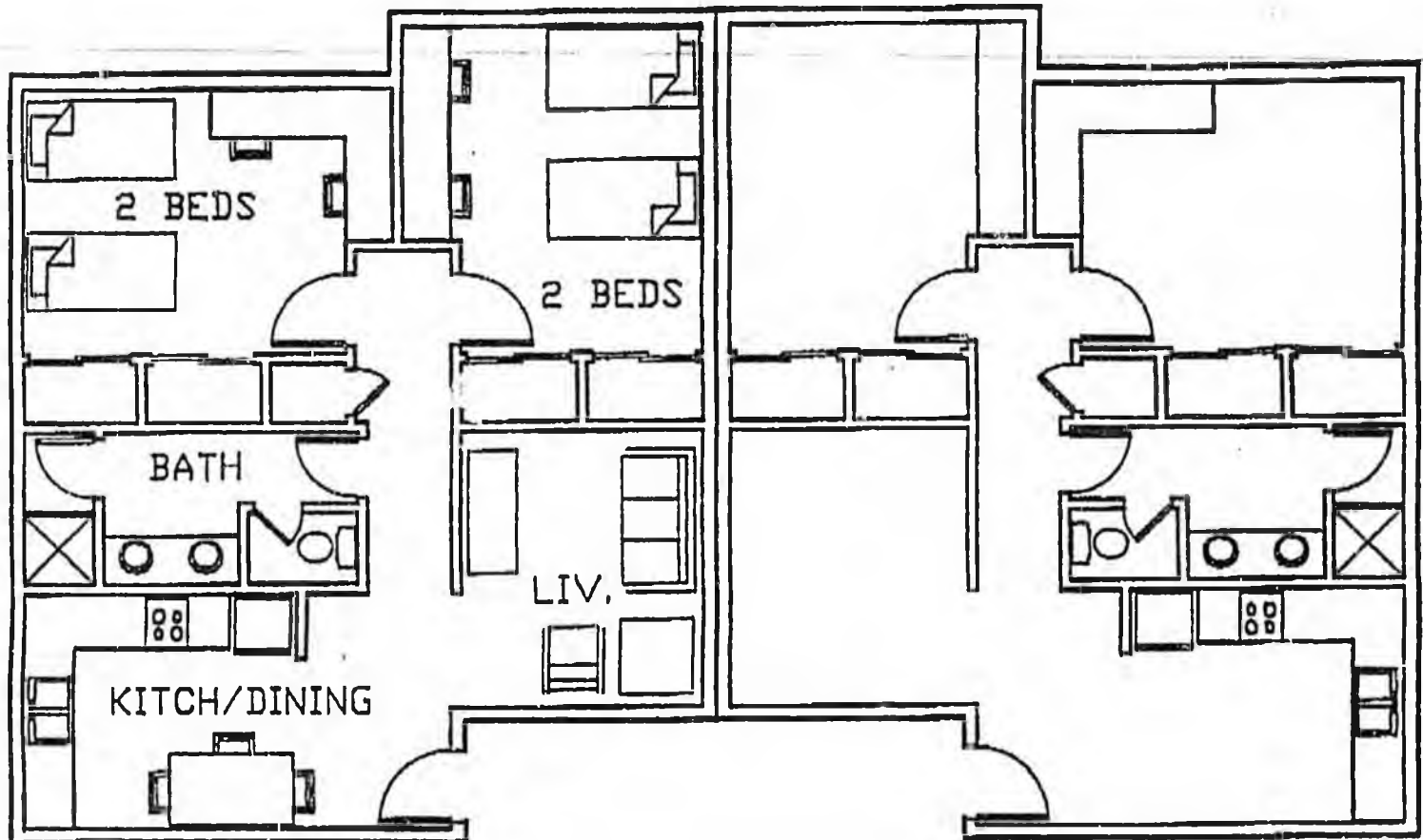
RESIDENCE HALL WITH COMMUNAL LIVING/DINING/KITCHEN AREAS  
 EACH ROOM PROVIDES FOR TWO STUDENTS (BEDS)  
 TWO DORM ROOMS SHARE A SEMI-PRIVATE BATH  
 TEN DORM ROOMS TOTAL - 20 STUDENT CAPACITY

544 GSF/UNIT X 5 SUITES =	2,720 GSF	+	500 GSF	KITCH/LIVING
			+ 100 GSF	MECHANICAL
			+ 400 GSF	CIRCULATION
3,720 GSF X \$ 158.46/GSF =	\$ 590,000			CONSTRUCTION COST
	59,000			SITE DEVELOPMENT
	865,000			PROJECT COST
	\$ 43,250			COST PER BED

*plus property acquisition*

# UAS Ketchikan Student Housing

Facilities Planning and Construction



## OPTION B - Single or Family Student Housing

TWO BEDROOM APARTMENTS  
 EACH BEDROOM ACCOMMODATES TWO BEDS  
 5 APARTMENTS TOTAL  
 20 STUDENT CAPACITY

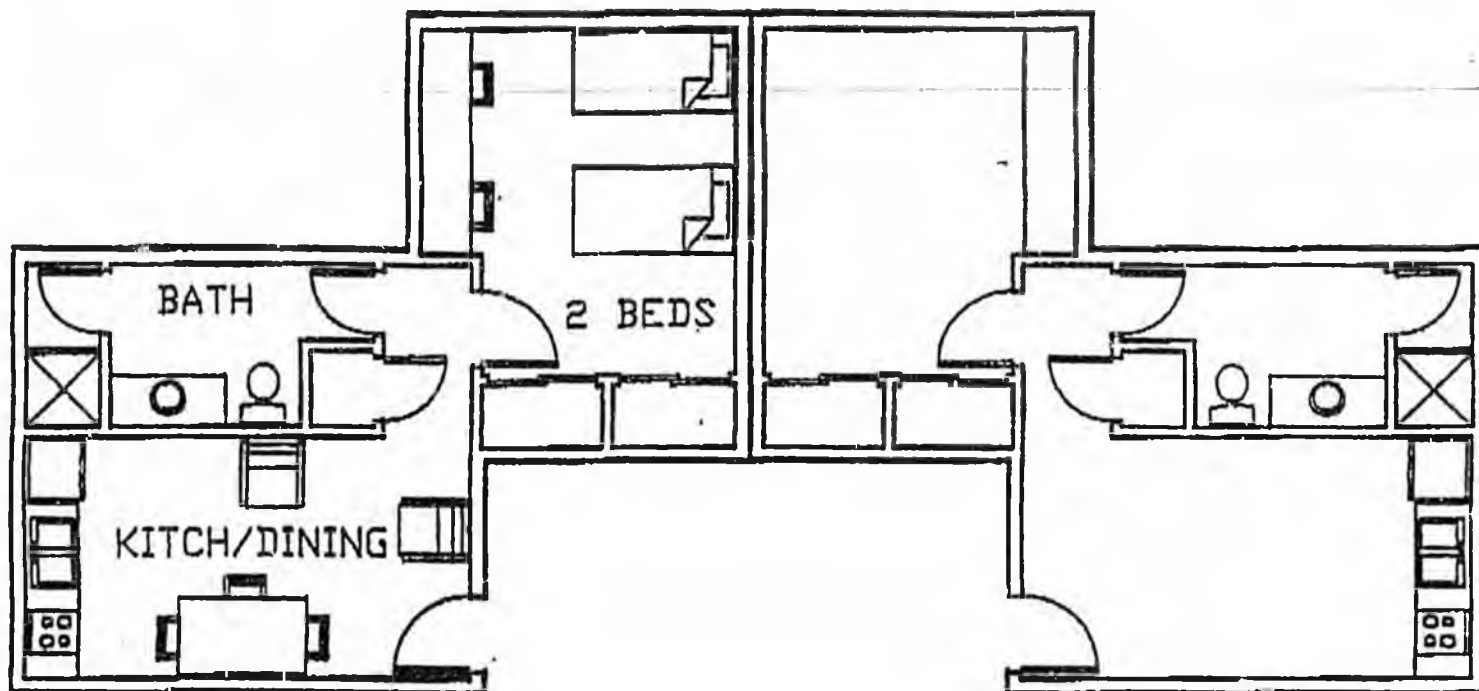
923 GSF/UNIT X 5 UNITS = 4,615 GSF + 100 GSF MECHANICAL  
 = 4,715 GSF

4,715 GSF X \$ 158.46/GSF = \$ 747,000	CONSTRUCTION COST
74,000	SITE DEVELOPMENT
1,094,000	PROJECT COST
\$ 54,700	COST PER BED

+ property acquisition

# UAS Ketchikan Student Housing

Facilities Planning and Construction



## OPTION C - Single or Family Student Housing

ONE BEDROOM APARTMENTS -- EFFICIENCY STYLE  
EACH BEDROOM ACCOMMODATES TWO BEDS  
10 APARTMENTS TOTAL  
20 STUDENT CAPACITY

548 GSF/UNIT X 10 UNITS = 5,480 GSF + 100 GSF MECHANICAL  
= 5,580 GSF

5,580 GSF X \$ 158.46/GSF = \$ 884,000	CONSTRUCTION COST
88,000	SITE DEVELOPMENT
1,296,000	PROJECT COST
\$ 64,800	COST PER BED

+ property acquisition

UNIVERSITY OF ALASKA ANCHORAGE  
STUDENT HOUSING DEVELOPMENT PHASE II  
FY 95

project need:

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An alternative that would meet a portion of the demand would be the reduction to a 300 bed facility with food service.

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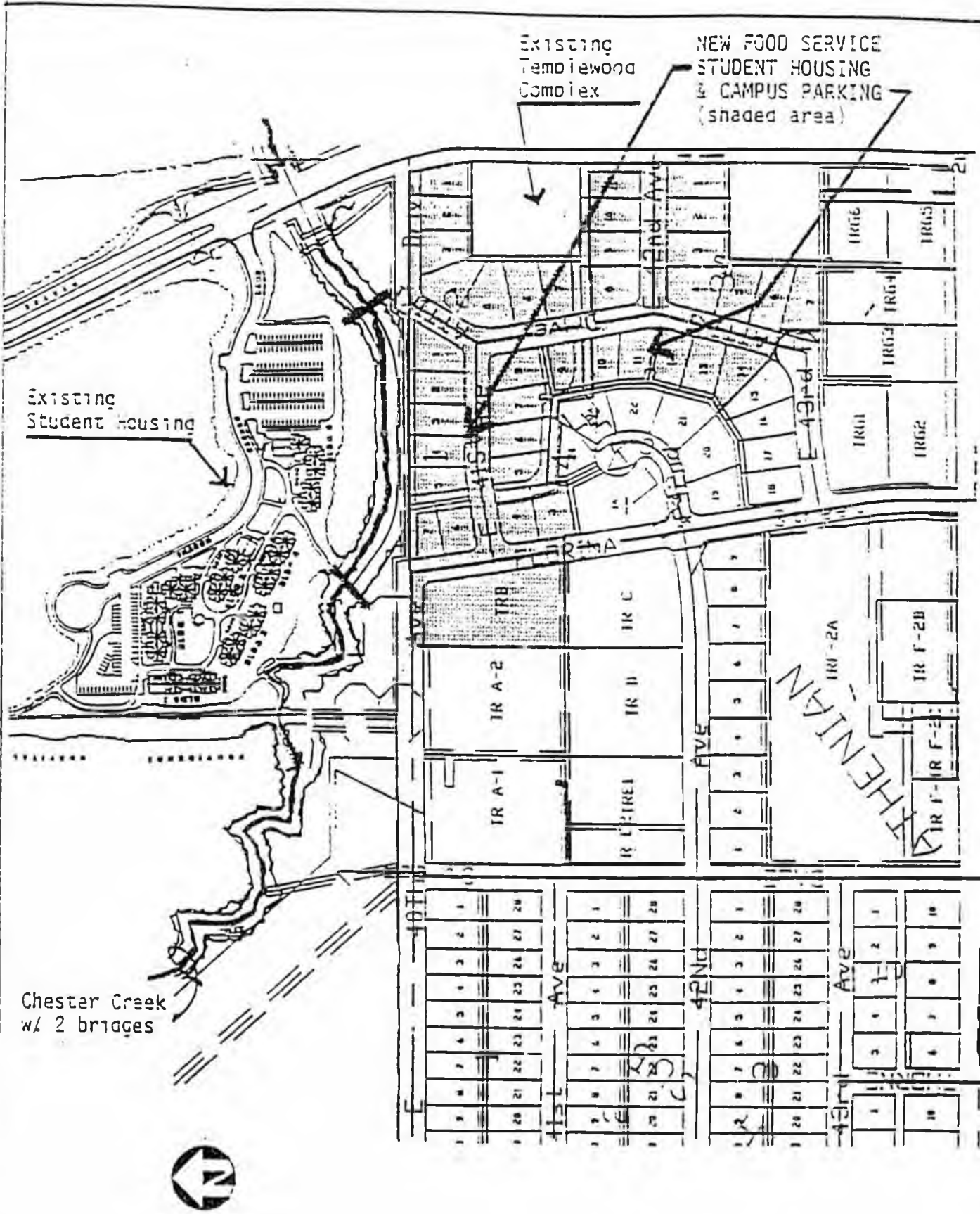
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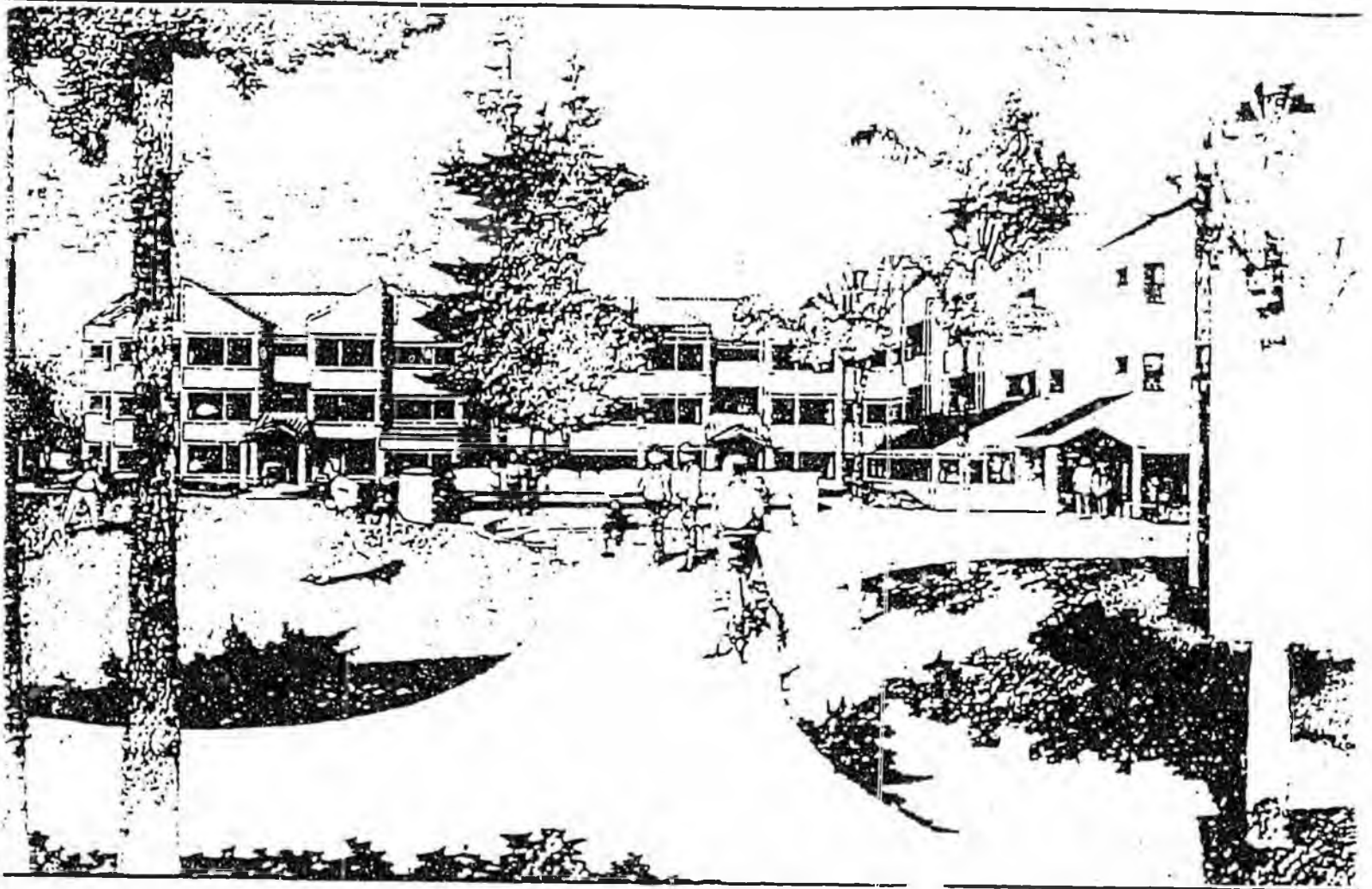
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**FACILITIES INVENTORY  
SITE PLAN**

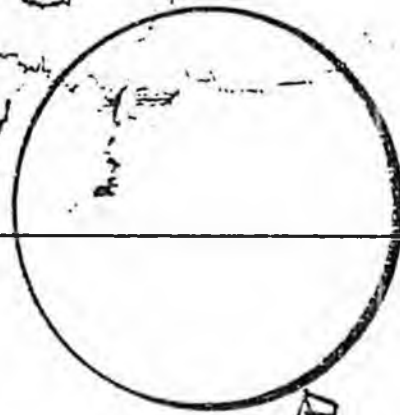
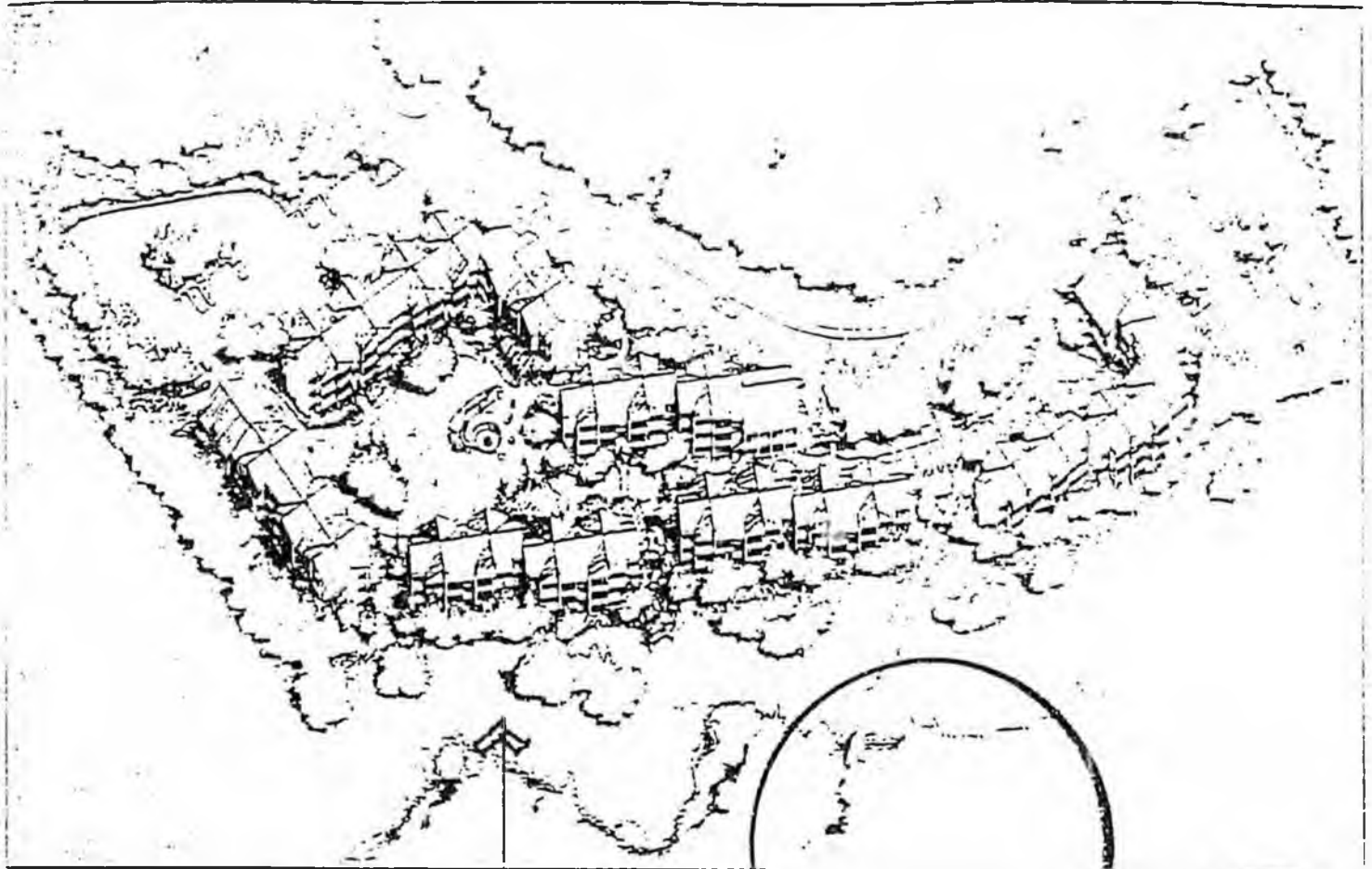


**UAA STUDENT HOUSING**  
UNIVERSITY OF ALASKA, ANCHORAGE



## UNIVERSITY OF ALASKA STUDENT HOUSING

Anchorage, Alaska



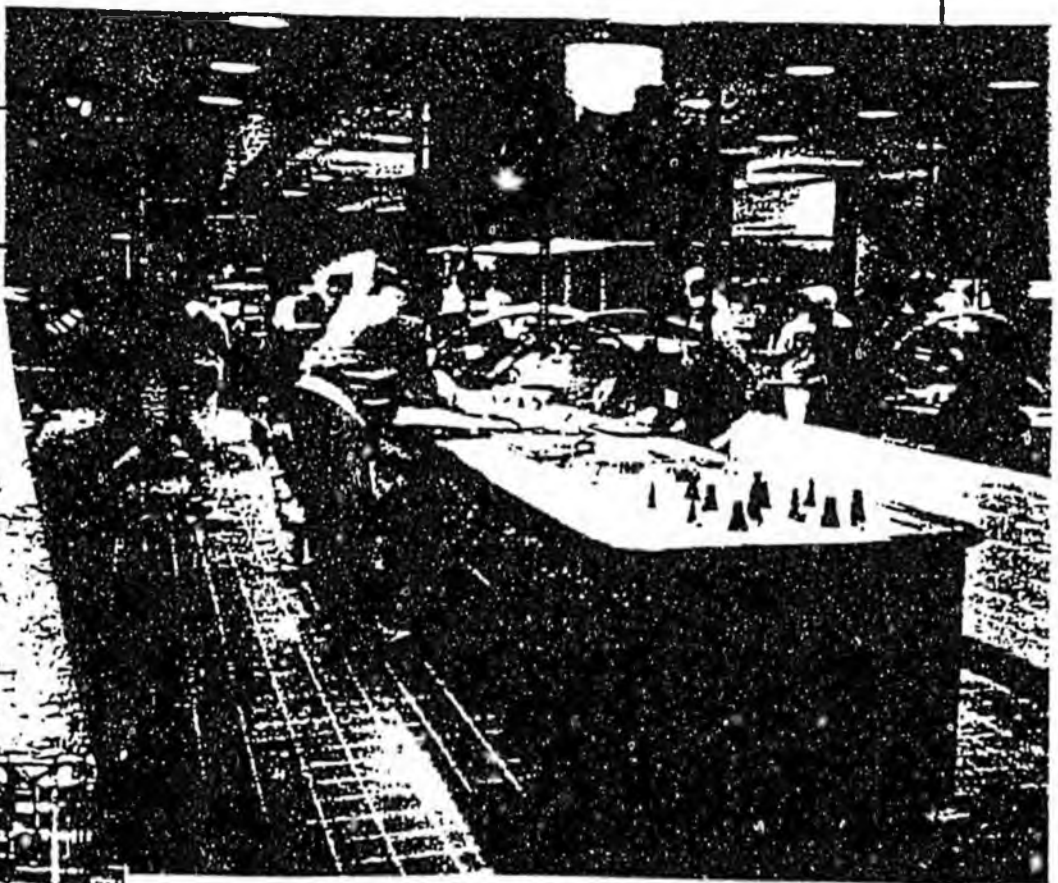
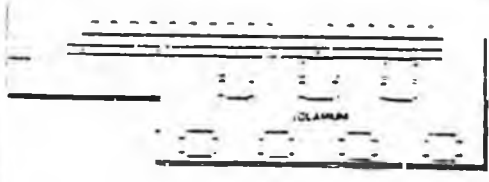
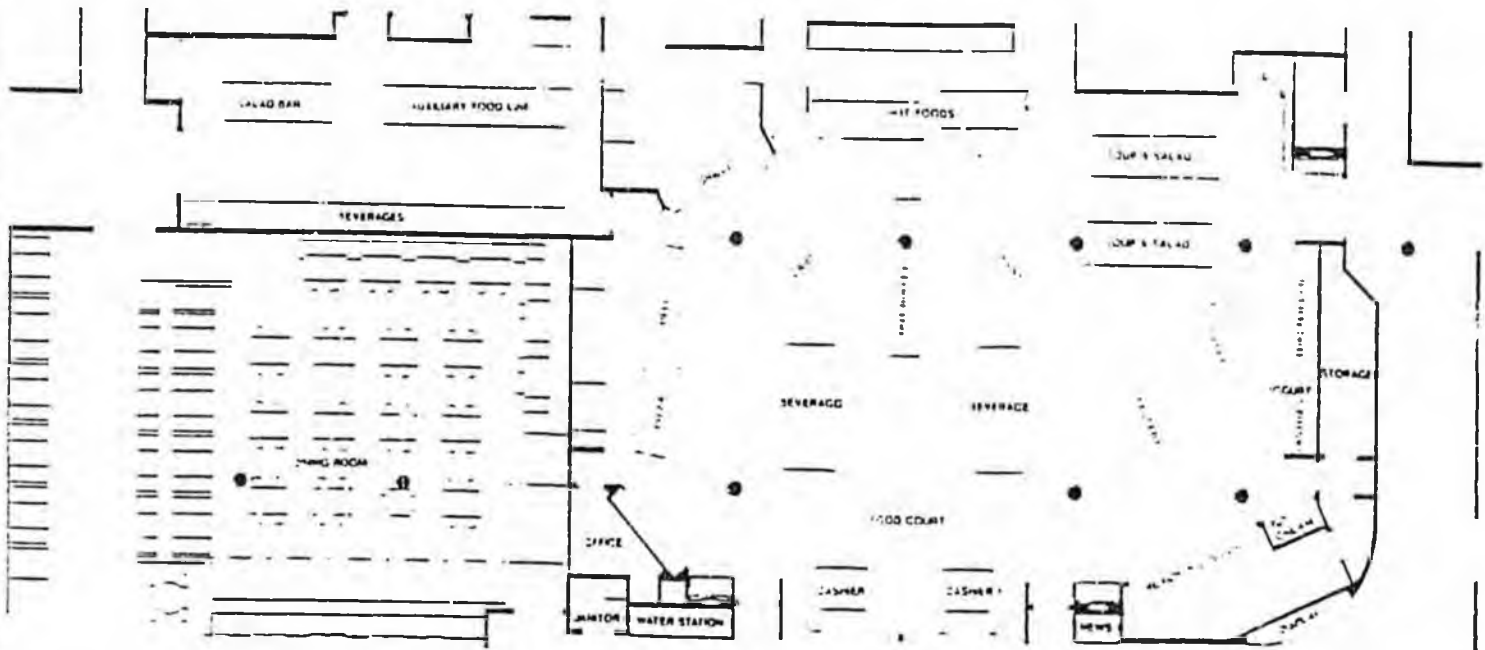
Existing Housing  
Gagnon Lane

Student Housing Phase II

Existing Templewood Housing

STUDENT HOUSING PHASE II will support both existing and new housing with food service.

FOOD SERVICE - an essential part of a campus residential life program



	300 Beds Plus Food Service	600 Beds Plus Food Service
<b>Project Costs</b>		
Food Service for 600	\$7,500,000	\$7,500,000
300 Beds	\$11,500,000	N/A
600 Beds	N/A	\$21,000,000
<b>Total Project Cost</b>	<b>\$19,000,000</b>	<b>\$28,500,000</b>
<b>Bond Issuance Costs</b>		
Fees	\$100,000	\$100,000
Issuer Discount	\$243,000	\$364,500
Capitalized Interest	\$2,756,600	\$4,134,900
Required Debt Service Reserve	\$2,641,250	\$3,961,375
Interest Earned during Construction	(\$451,385)	(\$677,323)
Rounding	\$1,035	\$1,553
<b>Total Bonds Issued</b>	<b>\$24,290,000</b>	<b>\$36,385,000</b>
<b>Debt Term</b>	<b>15 years</b>	<b>15 years</b>
<b>Annual Debt Service</b>	<b>\$2,540,000</b>	<b>\$3,810,000</b>
<b>TOTAL BOND PAYBACK</b>	<b>\$38,100,000</b>	<b>\$57,150,000</b>

TABLE IV.12: \*\*

Expected Occupancy of Students

<u>Phase</u>	<u>Occupancy By Phase *</u>	<u>Accumulated Occupancy *</u>	<u>Demand for Occupancy</u>	<u>Occupancy Year</u>
1	224	224	950	1985
2	224	448	1,060	1987
3	224	672	1,162	1989
4	448	1,120	1,436	1995
5	448	1,568	1,634	2000
6	248	1,816	1,813	2005

\* = Expected occupancy per construction schedule

The recommendation is for the purpose of facility programming rather than just demand for student housing.

\*\* Information from Campus Housing Feasibility Study/Market Analysis by Leonard Lane Associates.

TABLE IV.13:

Applications and Placement in Housing  
As a Percentage of Full-time Enrollment,  
By Control and Type of Institution,  
Fall 1980

Control and Type of Institution	Housing Applications as a Percentage of Full-time Enrollment	Students Placed in Housing as a Percentage of	
		Housing Applications	Full-time Enrollment
All Institutions	46	35	39
Universities	40	34	33
4-year Colleges	51	37	45
2-year Colleges	43	75	32
Public Institutions	38	33	32
Universities	36	36	31
4-year Colleges	43	79	34
2-year Colleges	28	36	24
Private Institutions	61	38	53
Universities	53	79	42
4-year Colleges	62	95	59
2-year Colleges	75	66	50

UAA % of students placed in housing is 2.6%

\* Information from Campus Housing Feasibility Study/Market Analysis by Leonard Lane Associates.



## Senate Special Committee On Oil and Gas

SB 229 might be tagged  
on to SB 304. SB 229 is  
a bill to buy a 600  
bed dormitory at UAA at  
the price of \$28.5 million.  
Construction costs are \$47,500  
per bed. I don't see any  
reason why students can't  
live in apartments. The beds  
in SB 304 are needed for  
maintenance. Should we allow them  
to build a new dorm when they  
can't take care of the buildings  
they've got?

## SENATE BILL NO. 229

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY SENATORS KELLY, Ellis

Introduced:	1/10/94	
Referred:	HES, FIN	
Funding Information:	General Fund	\$28,500,000
	Other Funds	<u>-0-</u>
		\$28,500,000

## A BILL

## FOR AN ACT ENTITLED

1 "An Act making an appropriation for the construction of a dormitory at the  
2 University of Alaska Anchorage; and providing for an effective date."

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

4 \* Section 1. The sum of \$28,500,000 is appropriated from the general fund to the  
5 University of Alaska for the planning, design, construction, and furnishing of a 600 bed  
6 dormitory at the Anchorage campus of the University of Alaska.

7 \* Sec. 2. The appropriation made by this Act is for a capital project and lapses under  
8 AS 37.25.020.

9 \* Sec. 3. This Act takes effect July 1, 1994.

**CS FOR SENATE BILL NO. 304(HES)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**EIGHTEENTH LEGISLATURE - SECOND SESSION**

**BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE**

**Offered: 4/27/94**  
**Referred: STA, FIN**

**Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act authorizing the issuance of bonds by the Alaska Housing Finance  
2 Corporation to pay for the costs of repair and rehabilitation of student housing  
3 facilities of the University of Alaska and for the construction of new student  
4 housing facilities at the University of Alaska Anchorage and the University of  
5 Alaska Southeast; authorizing the issuance of bonds by the University of Alaska  
6 to pay for the costs of repair and rehabilitation of facilities of the University of  
7 Alaska; amending powers of the Alaska Housing Finance Corporation; amending  
8 the definition of 'public building'; and relating to the Alaska debt retirement  
9 fund; and providing for an effective date."

10 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

11 \* Section 1. LEGISLATIVE INTENT. It is the intent of the legislature that appropriations  
12 for lease or other payments for debt service on the bonds authorized by this Act be made from

1 the Alaska debt retirement fund (AS 37.15.011).

2 \* Sec. 2. AS 18.55.100(a)(15) is amended to read:

3 (15) arrange or contract for the financing, design, construction, and  
4 acquisition of public buildings for lease to the state or the University of Alaska in  
5 accordance with AS 18.55.010 - 18.55.290;

6 \* Sec. 3. AS 18.55.288(3) is amended to read:

7 (3) "public building" means a publicly owned structure that is subject  
8 to a financing agreement with the state or the University of Alaska or that is  
9 leased to the state or the University of Alaska, and that is used for governmental,  
10 public, or educational purposes [USE].

11 \* Sec. 4. AS 37.15.011(b) is amended to read:

12 (b) The Alaska debt retirement fund shall be invested by the Department of  
13 Revenue so as to yield competitive market rates, as provided in AS 37.10.071. Money  
14 in the fund may be appropriated

15 (1) for the purposes set out in AS 37.15.012;

16 (2) to reimburse municipalities for obligations authorized under  
17 AS 14.11.100;

18 (3) to finance the acquisition of state facilities through lease-purchase  
19 agreements; [AND]

20 (4) to finance the acquisition and capital costs of repair and  
21 rehabilitation of University of Alaska facilities through lease-purchase agreements  
22 or other financing agreements; and

23 (5) if an unobligated balance remains, to finance the design and  
24 construction of capital projects.

25 \* Sec. 5. (a) The Alaska Housing Finance Corporation may issue bonds under  
26 AS 18.55.140 in an aggregate principal amount not to exceed \$64,500,000. Of the bonds  
27 authorized by this section, bonds in an amount not to exceed \$30,000,000 may be issued to  
28 provide money for loans to the University of Alaska to pay costs of repair and rehabilitation  
29 of student housing facilities owned by the University of Alaska and to pay related costs,  
30 including costs of issuing the bonds, bonds in an amount not to exceed \$28,500,000 may be  
31 issued for the planning, design, construction, and furnishing of new student housing facilities

1 at the Anchorage campus of the University of Alaska and to pay related costs, including costs  
2 of issuing the bonds, and bonds in an amount not to exceed \$6,000,000 may be issued for the  
3 planning, design, construction, and furnishing of new student housing facilities at the  
4 University of Alaska Southeast and to pay related costs, including costs of issuing the bonds.  
5 The Alaska Housing Finance Corporation may lend the proceeds of the bonds to the  
6 University of Alaska. The University of Alaska may borrow the proceeds of the bonds for  
7 the purposes described in this section. The Alaska Housing Finance Corporation and the  
8 University of Alaska may enter into agreements, including leases, and may transfer title to  
9 property or create security interests in property, or both, as they consider appropriate, to  
10 provide for and secure the repayment of a loan made under this section. Bonds described in  
11 this section are special obligations of the Alaska Housing Finance Corporation payable only  
12 from revenue and receipts derived under an agreement with the University of Alaska described  
13 in this section.

14 (b) Subsection (a) of this section grants the legislative approval of the project required  
15 by AS 18.55.100(d).

16 \* Sec. 6. (a) The University of Alaska may issue bonds under AS 14.40.254 in an  
17 aggregate principal amount not to exceed \$45,000,000 and may use the proceeds of the  
18 revenue bonds to pay for costs of repair and rehabilitation of buildings and other structures  
19 owned by the University of Alaska and to pay related costs, including costs of issuing the  
20 bonds.

21 (b) Regarding the project described in (a) of this section, notice is given under  
22 AS 14.40.253 that

23 (1) the anticipated annual payment amount is . . . . . \$3,723,900;

24 (2) the anticipated financing (total lease payments for the full-term lease)  
25 is . . . . . \$74,458,084;

26 (3) the total construction, acquisition, or other costs of the project are . . .  
27 . . . . . \$40,376,100;

28 (c) Subsection (a) of this section grants the legislative approval of the project required  
29 by AS 14.40.253.

30 \* Sec. 7. This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

No. 1

Bill Version: SB 304

(S) Publish Date: 2-11-94

Revision Date: \_\_\_\_\_

Department Affected: Office of the Governor

Title: "An Act authorizing issuance of bonds..."

BRU: Elective Operations

Sponsor: House Rules Committee

Component: General & Primary

Requestor: Governor

COMPONENT SERIAL NO. 0022

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES						
--------------------	--	--	--	--	--	--

AND SOURCE	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY94) cost: 0

ANALYSIS: (Attach a separate page if necessary.)  
Should bond sale require approval of the voters, the fiscal impact will be 2.2 or 53.4 if additional ballot required.

Prepared by: Joe Swanson, Director  
Division: Division of Elections

Phone: 465-4611  
Date: 2/10/94

Approved by Commissioner: Lt. Governor John B. Coghill  
by: Office of the Lt. Governor

Date: 2/10/94

PREPARER TO: \_\_\_\_\_ LATIVE OFFICE

Fi \_\_\_\_\_ -ice

# FISCAL NOTE

No. 2

Bill Version: SB 304

B) (S) Publish Date: 2-11-94

**STATE OF ALASKA  
1994 LEGISLATIVE SESSION**

Revision Date: February 11, 1994

Dept. Affected: Department of Revenue

Title: An Act authorizing the issuance of bonds by AHFC to pay for the costs of repair and rehabilitation of student housing facilities of U of A

BRU: Alaska Housing Finance Corp

Component: Operations

Sponsor: \_\_\_\_\_

Requestor: \_\_\_\_\_

COMPONENT SERIAL NO. 0110

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>CAPITAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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<b>REVENUE FUND SOURCE:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
-----------------------------	----------	----------	----------	----------	----------	----------

**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1008 GFMHTIA	0	0	0	0	0	0
1022 Corporation Receipts	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**POSITIONS:**

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY94) impact: \$ 0

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

Alaska Housing Finance Corporation does not anticipate any increased cost with the proposed amendments to AS 18.55.100, AS 18.55.288 and AS 37.15.011. The fiscal note indicates no incremental costs to the AHFC. There are expected to be expenses, costs and reserve funds associated with the issuance of the bonds and servicing of debt. Reserve funds, while not a cost or expense, will reduce the loan amount available to the University of Alaska. The costs and expenses associated with the financing will be taken into consideration in determining the payment obligations of the University of Alaska.

Prepared by:

Judith DeSpain

Phone: (907) 551-1900

Division:

Alaska Housing Finance Corporation

Date: February 11, 1994

Approved by:

James DeSpain

Date: 2/11/94

Agency:

REVENUE

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**FISCAL NOTE**

**STATE OF ALASKA  
1994 LEGISLATIVE SESSION**

**BILL NO. SB304**

Revision Date: \_\_\_\_\_ Department Affected: **University of Alaska**  
 Title: **Authorizing issuance of bonds by Ak. Housing** BRU:  
**Finance and UA for deferred maintenance** Component: **all**  
 Sponsor: **Governor**  
 Requestor: **(S)HESS** **COMPONENT SERIAL NO.**

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
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</b>						
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<b>REVENUE FD SOURCE</b>						
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**FUNDING: (Thousands of Dollars)**

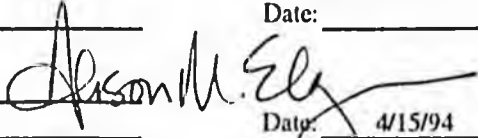
1002 FEDERAL FUNDS						
1003 GF MATCH						
1004 GENERAL FUND						
1006 GF/MHTIA						
OTHER						
<b>TOTAL FUNDING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>POSITIONS:</b>						
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

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

The correction of deferred maintenance problems existing with University facilities is anticipated to reduce operations and maintenance costs of the facilities. The University is currently significantly underfunded for facility maintenance needs. Any realized savings will be reinvested in the maintenance of all University facilities to reduce deferred maintenance accrual.

Prepared by: Wendy Matheny, Budget Analyst Phone: 463-3086  
 Division: Statewide Budget Office Date: \_\_\_\_\_  
 Approved by: Alison Elgee, Director   
 Agency: Statewide Budget Office Date: 4/15/94

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

AMENDMENT by Sen. Taylor

TO: CSSB 304 (HES)

PAGE 3, LINE 2: Delete: \$6,000,000

Add: \$7,500,000

This amendment will add \$1.5 million for additional bonding to pay for student housing facilities at the Ketchikan campus of the University of Alaska Southeast.

## HB 466/SB 304 — Bonding for repair and rehabilitation of UA facilities

### The Background

After years of inadequate funding the backlog of deferred maintenance projects now totals more than \$150 million for the University of Alaska system. Over the past decade, the university has sought nearly \$180 million for maintenance projects, and received less than one third of that amount. The result is that the facilities on every campus, particularly the oldest campuses in Fairbanks and Ketchikan, are in dangerous states of disrepair.

---

Over the past decade, the university has sought nearly \$180 million for maintenance projects, and received less than one third of that amount.

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### Colleges and universities

around the country face similar problems. In 1988, inadequate funding forced U.S. colleges and universities to defer \$4 of needed maintenance for every dollar spent. The combination of flat funding and increasing enrollments continue to force institutions of higher education to "spend down" plant assets to meet these conflicting demands. The associated costs of these efforts are considerable. In addition to obvious problems of health and safety, there is a major loss of program flexibility, energy efficiency, and optimum space utilization in deteriorating facilities.

The Board of Regents has made capital improvement maintenance its highest priority and the university wants the problem resolved this year either through passage of bonding legislation or direct appropriation. Further, to avoid slipping backwards, the regents are requiring a three-to-four-year plan to increase the amount of funds directed to ongoing maintenance.

### Current Status

The governor and the legislature have a strong commitment to protecting the state's investment in its infrastructure. At the request of Governor Hickel, House Bill 466 and Senate Bill 304 have been introduced to address \$75 million of the problem. The bills call for the Alaska Housing Finance Corporation to issue \$30 million in bonds for student housing, and the university to issue another \$45 million in bonds for repair of classroom, office and laboratory facilities throughout the system.

Anchorage campus	\$ 7,408,300
Kodiak Campus	230,300
Kenai Peninsula Campus	65,000
Mat-Su Campus	465,000
Prince William Sound Community Coll.	900,000
Fairbanks Campus	26,524,500
Bristol Bay Campus	300,000
Chukchi Campus	372,000
Kuskokwim Campus	1,047,100
Northwest Campus	756,700
AFES Palmer	402,000
AFES Mat Su	822,500
Juneau Campus	462,600
Ketchikan Campus	319,300
Sitka Campus	300,000

Bonds make sense this year because the state's outstanding debt service is declining, and bond interest rates last year were the lowest since the 1960s.

### contact:

Wendy Redman 474-4782, Fairbanks  
463-3086 Juneau

**University of Alaska  
Repair and Rehabilitation Bond Package  
Student Housing Projects**

**UA Anchorage**

Anchorage Campus		\$2,455,000
Student housing complex	\$1,728,000	
Templewood Condominiums	\$727,000	
Prince William Sound Community College		\$664,000
Copper Basin Hall	\$40,000	
Cordova Hall	\$60,000	
Student Housing	\$394,000	
Valdez Hall	\$170,000	
Total UA Anchorage	\$3,119,000	

**UA Fairbanks**

Fairbanks Campus		\$22,793,700
Bartlett Hall	\$2,303,400	
Garden Apartments I & II	\$52,000	
Harwood Hall	\$1,534,500	
Hess Commons	\$294,200	
Hess Village	\$4,418,000	
Lathrop Hall	\$2,209,200	
McIntosh Hall	\$1,157,300	
Moore Hall	\$2,562,500	
Nerland Hall	\$1,117,200	
Skarland Hall	\$1,346,100	
Stevens Hall	\$1,068,000	
Student Apartment Complex	\$1,875,100	
Tilly Commons	\$1,381,000	
Wickersham Hall	\$1,475,200	
Kuskokwim Campus		\$75,000
Sackett Hall	\$75,000	
Total UA Fairbanks	\$22,868,700	

**UA Southeast - Juneau Campus**

Student Housing Complex	\$929,700	\$929,700
Total UA Southeast	\$929,700	

**University of Alaska Total**

\$26,917,400

	G	H	I
508	<b>University of Alaska Deferred Maintenance</b>		
509	<b>Non-Residential Projects - by Campus, by Building</b>		
510			
511	Arts Building		23,000
512	Auto/Diesel Building		35,000
513	Aviation Tec. Ctr.		19,000
514	Campus		2,904,435
515	Campus Center		175,000
516	College of Arts & Science		246,100
517	Cuddy Center		110,700
518	Downtown Center		337,950
519	Hartlieb		152,000
520	Buliding K		626,300
521	Library		440,000
522	McDonald		277,450
523	Monserud		604,500
524	Science Building		86,800
525	Short Buliding		564,000
526	Sports Center		412,265
527	Student Center		295,000
528	Williamson		98,800
529		<b>Anchorage Campus Total</b>	<b>7,408,300</b>
530			
531	Campus, KOC		194,800
532	Voc-Ed, KOC		35,500
533		<b>Kodiak Campus Total</b>	<b>230,300</b>
534			
535	Homer, KPC		65,000
536		<b>Kenai Penninsula Campus Total</b>	<b>65,000</b>
537			
538	Campus, MSC		240,000
539	Kertula, MSC		225,000
540		<b>Mat-Su Campus Total</b>	<b>465,000</b>
541			
542	PWSCC		900,000
543		<b>PWSCC Total</b>	<b>900,000</b>
544			
545	<b>University of Alaska Anchorage</b>		<b>9,068,600</b>
546			
547			
548	AHRC		740,000
549	Brooks Building		427,414
550	Bunnell Building		1,910,000
551	Bunnell House		10,000
552	Coal Lab		25,000
553	Consitution Hall		180,000
554	Duckering Building		2,112,000
555	Elvey Building		400,000

	G	H	I
556	Fine arts		1,430,000
557	Geist Museum		1,039,350
558	Gruening Building		70,000
559	Irving I		1,803,000
560	Irving II		385,000
561	O'Neill Building		4,438,000
562	Patty Center		6,100,000
563	Patty Ice Arena		850,000
564	Physical Plant		170,000
565	Rasmuson		570,000
566	UAF Campus Wide		2,909,736
567	Utilities		765,000
568	Wood Center		190,000
569		<b>Fairbanks Campus Total</b>	<b>26,524,500</b>
570			
571	Dillingham		300,000
572		<b>Bristol Bay Campus Total</b>	<b>300,000</b>
573			
574	Admin/Classroom		347,837
575	MAU-WIDE		24,963
576		<b>Chukchi Campus Total</b>	<b>372,800</b>
577			
578	All		150,000
579	Phase I (YLC)		26,000
580	Phase I-II		10,000
581	Phase I-III		30,000
582	Phase III		756,138
583	Sackett Hall		74,962
584		<b>Kuskokwim Campus Total</b>	<b>1,047,100</b>
585			
586	Bookstore		80,000
587	Brown		225,648
588	CES/Storage		41,000
589	Classroom		90,000
590	MAU-WIDE		105,052
591	Nagozruk		115,000
592	Sats A-D		100,000
593		<b>Northwest Campus Total</b>	<b>756,700</b>
594			
595	HSG 1-8		110,008
596	Main Office/Lab		291,992
597		<b>AFES Palmer Total</b>	<b>402,000</b>
598			
599	AG Lab		150,000
600	All		300,000
601	North Garage		9,961
602	Sewage Treat		125,000
603	Straw Mix Facility		37,539

	G	H	I
604	Water Reservoir		200,000
605		AFES Mat-Su Farm Total	822,500
606			
607	University of Alaska Fairbanks		30,225,600
608			
609			
610	Anderson		78,005
611	Bill Ray		12,095
612	Child Care		9,333
613	Child Center		6,667
614	Egan		93,900
615	Lee Street		46,600
616	Marine Tech		14,666
617	Mourant		41,333
618	Novatney		24,000
619	UAS Site		20,000
620	Soboleff		33,334
621	Welding Lab		60,000
622	Whitehead		22,667
623		Juneau Campus Total	462,600
624			
625	Hamilton		16,000
626	Paul/Ziegler/Robert		216,800
627	Ziegler		86,500
628		Ketchikan Campus Total	319,300
629			
630	Hangar 332		300,000
631		Sitka Campus Total	300,000
632			
633	University of Alaska Southeast Total		1,081,900
634			
635	Total Non-Residential Deferred Maintenance Projects		40,376,100
636			
637		Bond Issuance Costs	900000
638		Required Debt Reserve	3723900
639	Total Bond Issue		45,000,000

## Analysis of Debt Retirement Needs

	\$45 million Facilities Repair & Rehabilitation	\$30 million Student Housing Repair & Rehabilitation
Construction	\$40,376,100	\$26,917,400
Issuance Expenses	\$900,000	\$600,000
	\$41,276,100	\$27,517,400
Financed Acquisition Cost	\$41,276,100	\$27,517,400
Required Debt Reserve (1 year payment)	\$3,723,900	\$2,482,600
	\$45,000,000	\$30,000,000
Total Project Cost	\$45,000,000	\$30,000,000
Term (years)	20	
Payments per year	4	
Interest rate	5.50%	
First payment due 1 year after issue		
Anticipated Annual Amount of Rental Obligatio	\$3,723,900	\$2,482,600
Total Lease Payments for 20 year term	\$74,478,084	\$49,652,058

\*Bonds represent a three year construction program. Debt retirement for the second and third years of the program would be required for only those bonds issued and sold. Annual cost of debt service once all bonds have been sold will be \$6,206.5 utilizing a 5.5% interest rate assumption.