

MUNICIPALITY OF ANCHORAGE

GENERAL GOVERNMENT*

2005-2010 CAPITAL IMPROVEMENT PROGRAM

The 2005-2010 Capital Improvement Program (CIP) is a compilation of capital projects proposed for design and/or construction, or purchase and installation during the next six years. For each project proposed, the following items have been included: a narrative description of each project; the estimated cost of the project or phase of the project; the financial effect of the project on operation and maintenance costs; and any debt service that would result from voter approval of bond funds for the project.

The 2005-2010 CIP was formulated with the participation of Community Councils. Many recommendations have been incorporated into the CIP program. Informational meetings and review sessions will be held with interested citizen groups, the Planning and Zoning Commission and the Assembly. Also reflected in the document are needs identified by the staff of the general government departments who would oversee the projects.

The 2005-2010 CIP emphasizes:

- maintaining the existing capital infrastructure (e.g., roads and facilities),
- complying with state and Federal mandates,
- improving transit centers and bus stops,
- enhancing public safety, and
- initiating economic and community development projects

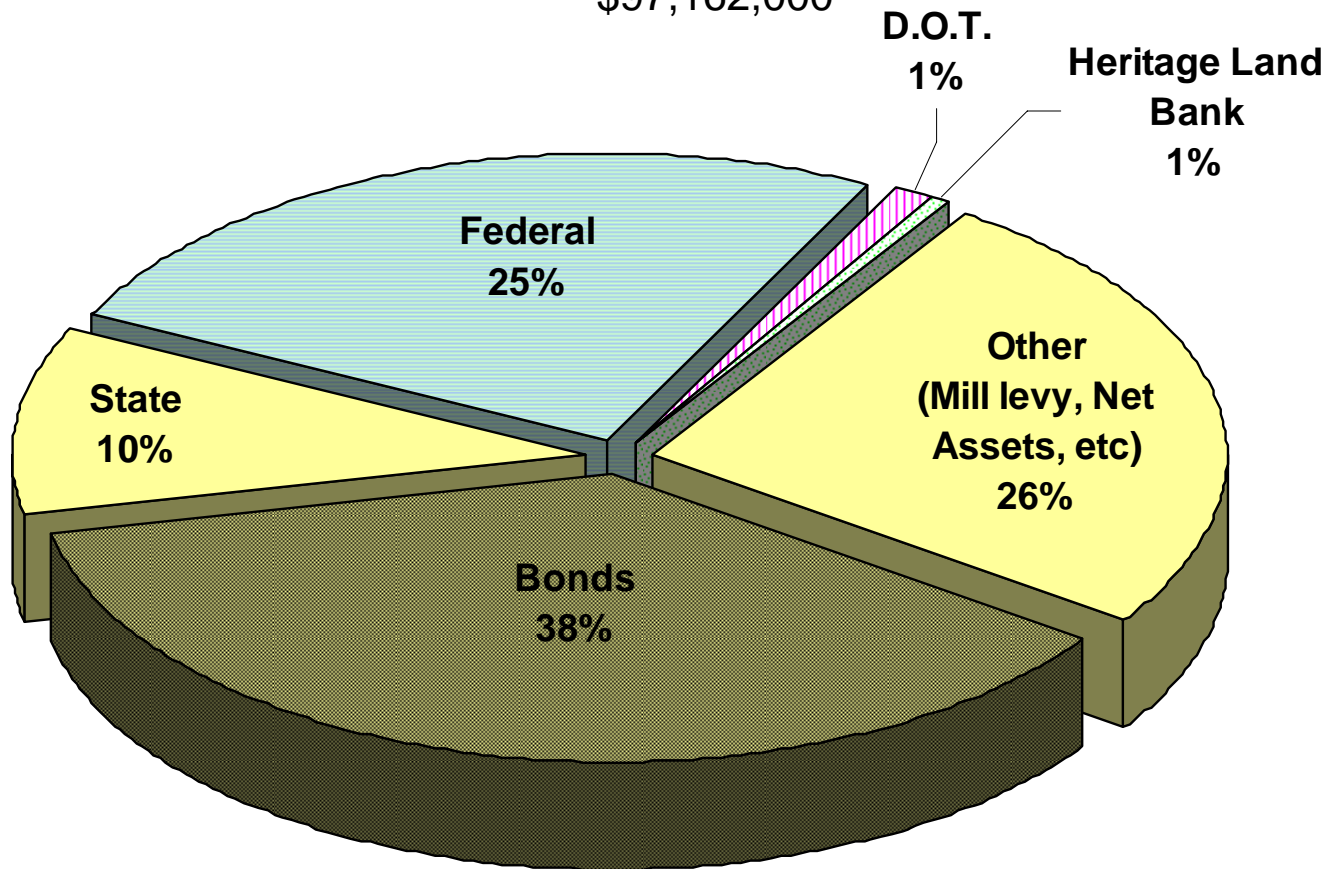
As the graph on the next page (*Capital Funding Requested*) shows, a gradual shift has occurred away from State grant funding for Anchorage's capital projects, and toward increased local funding, principally through voter-approved general obligation bonds, and federal funding. Charts, shown later in this section, provide an historical summary of state grants received and local voter-approved bond propositions.

*Anchorage School District and Municipal Utilities produce separate capital budget/program documents; historical financial data reflected in this document does not include the Anchorage School District or Municipal Utilities, unless specifically noted.

2005 CAPITAL FUNDING REQUESTED

By Funding Source (%)

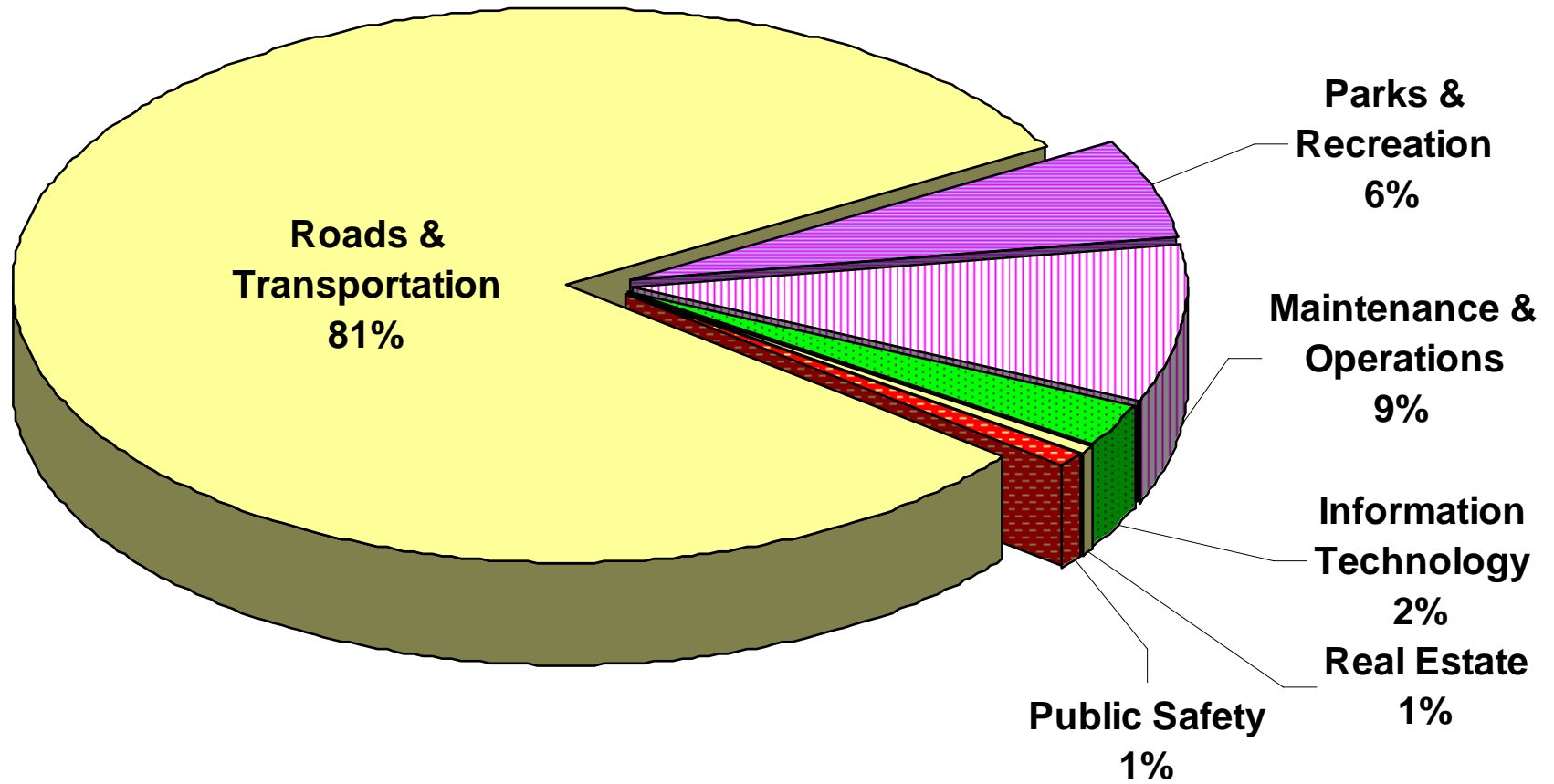
\$97,162,000



This graph illustrates the increased emphasis of local, voter-approved bonds and federal funding.

2005 Capital Budget By Project Type

\$97,162,000*



* A new civic and convention center is contemplated for the 2006-2007 period, at an estimated cost of \$93M. The construction would be funded with revenue bonds. Operating costs and debt repayment would be funded by a 4% increase in the Hotel/Motel "bed tax." No property taxes would support construction or operation of the new convention center.

General Obligation **BOND** Funding Requested in 2005 Capital Improvement Budget

(000's)

DEPARTMENT/CATEGORY/PROJECT TITLE	PROPOSED BOND	STATE	FEDERAL	OTHER FUNDING	TOTAL FUNDING
FIRE DEPARTMENT					
Category: <u>Emergency Medical Services</u>					
REPLACE MOBILE INTENSIVE CARE AMBULANCES	\$480	\$0	\$0	\$0	\$480
TOTAL	\$480				
PUBLIC TRANSPORTATION					
Category: <u>Transit Improv./Facilities</u>					
ITS/AUTOMATED OPERATING SYSTEMS	\$100	\$0	\$0	\$0	\$100
MANAGEMENT INFORMATION SYSTEM	\$90	\$0	\$60	\$60	\$150
IMPROVEMENTS TO EXISTING FLEET	\$210	\$0	\$140	\$140	\$350
BUS STOP IMPROVEMENTS	\$450	\$0	\$300	\$300	\$750
1% TRANSIT ENHANCEMENTS	\$25	\$0	\$16	\$16	\$41
Category: <u>Transit Vehicles and Upgrades</u>					
CAPITAL MAINTENANCE/VEHICLE OVERHAUL	\$130	\$0	\$86	\$86	\$216
SUPPORT VEHICLES	\$60	\$0	\$40	\$40	\$100
Category: <u>Paratransit Vehicles</u>					
PARATRANSIT AND VANPOOL VEHICLES	\$565	\$0	\$356	\$356	\$921
TOTAL	\$1,630				
PROJECT MANAGEMENT & ENGINEERING					
Category: <u>Roadway Improvements</u>					
LAKE OTIS PKWY/TUDOR RD CONGESTION RELIEF PROGRAM	\$4,200	\$0	\$0	\$9,000	\$13,200
NORTHERN LIGHTS BLVD UPGRADE PHASE III - NATHANIEL CT TO WISCONSIN ST	\$7,900	\$0	\$0	\$0	\$7,900
3RD AVE SURFACE REHAB - POST RD TO REEVE BLVD	\$2,770	\$0	\$0	\$0	\$2,770
PIPER ST UPGRADE AND SIGNAL REIMBURSEMENT - 40TH AVE TO TUDOR RD	\$1,500	\$0	\$0	\$0	\$1,500
LOCAL ROAD RID RECONSTRUCTION AND UPGRADES	\$1,200	\$0	\$0	\$0	\$1,200
ARCTIC BLVD UPGRADE - 36TH AVE TO TUDOR RD	\$600	\$0	\$0	\$0	\$600
ARCTIC BLVD S-BOUND RIGHT TURN LANE AT TUDOR	\$1,100	\$0	\$0	\$0	\$1,100
RECYCLED ASPHALT PAVEMENT (RAP) AND CHIP SEAL UPGRADES	\$900	\$0	\$0	\$0	\$900
PENLAND PKWY SURFACE REHAB - AIRPORT HEIGHTS RD TO BRAGAW ST	\$200	\$0	\$0	\$0	\$200
76TH AVE RECONSTRUCTION - OLD SEWARD HWY TO NEW SEWARD HWY FRONTAGE ROAD	\$1,300	\$0	\$0	\$0	\$1,300
SPENARD RD RECONSTRUCTION - MINNESOTA DR TO MINNESOTA DR ON-RAMP	\$75	\$0	\$675	\$675	\$750
36TH AVE SURFACE REHAB - C ST TO SEWARD HWY	\$200	\$0	\$0	\$0	\$200
NORTHERN LIGHTS BLVD SURFACE REHAB- LAKE OTIS PKWY TO BRAGAW ST	\$150	\$0	\$0	\$0	\$150
FIREWEED LN RECONSTRUCTION - SPENARD RD TO SEWARD HWY	\$5	\$0	\$225	\$245	\$250

General Obligation **BOND** Funding Requested in 2005 Capital Improvement Budget

(000's)

DEPARTMENT/CATEGORY/PROJECT TITLE	PROPOSED BOND	STATE	FEDERAL	OTHER FUNDING	TOTAL FUNDING
PROJECT MANAGEMENT & ENGINEERING					
Category: <u>Roadway Improvements</u>					
ALASKA RAILROAD CROSSING REHABS	\$500	\$0	\$0	\$0	\$500
ARDSA ROAD AND DRAINAGE SYSTEM REHABILITATION	\$400	\$0	\$0	\$0	\$400
ARCTIC BLVD SURFACE REHAB - TUDOR RD TO RASPBERRY RD	\$200	\$0	\$0	\$0	\$200
INDEPENDENCE DR SURFACE REHAB - ABBOTT RD TO COLONY LP	\$200	\$0	\$0	\$0	\$200
6TH AVE RECONSTRUCTION-OKLAHOMA ST TO MULDOON RD	\$500	\$0	\$0	\$0	\$500
FIREWEED LN/LATOUCHE ST UPGRADE - SEWARD HWY TO NORTHERN LIGHTS BLVD	\$300	\$0	\$0	\$0	\$300
EDWARD ST UPGRADE - 6TH AVE TO DEBARR RD	\$400	\$0	\$0	\$0	\$400
DIMOND BLVD UPGRADE - JODPHUR RD TO SAND LAKE RD	\$300	\$0	\$0	\$0	\$300
32ND AVE UPGRADE- MULDOON RD TO BROOKRIDGE DR	\$400	\$0	\$0	\$0	\$400
FAIRVIEW AREA PEDESTRIAN AND STREET AMENITIES	\$250	\$0	\$0	\$0	\$250
Category: <u>Transportation Enhancements</u>					
E ST/9TH AVE CORRIDOR ENHANCEMENTS	\$2,200	\$0	\$0	\$0	\$2,200
CREEKSIDE TOWN CENTER ROAD IMPROVEMENTS	\$100	\$0	\$8,000	\$8,000	\$8,100
Category: <u>Safety Improvements</u>					
INTERSECTION SAFETY IMPROVEMENTS	\$300	\$800	\$0	\$0	\$1,100
ANCHORAGE SIGNAL SYSTEM, SIGNAGE, AND SAFETY IMPROVEMENTS	\$400	\$0	\$0	\$0	\$400
TRAFFIC CALMING AND SAFETY IMPROVEMENTS	\$500	\$0	\$0	\$0	\$500
Category: <u>Drainage - Collection</u>					
MISCELLANEOUS SMALL DRAINAGE PROJECTS	\$300	\$0	\$0	\$0	\$300
FISH CREEK IMPROVEMENTS PHASE IVB - STORM DRAIN SLIP-LINING.	\$1,400	\$0	\$0	\$0	\$1,400
BRIDLE LN/HORIZON AVE AREA STORM RECONSTRUCTION	\$560	\$0	\$0	\$0	\$560
SALEM COURT DRAINAGE	\$100	\$0	\$0	\$0	\$100
Category: <u>Drainage - Treatment</u>					
CAMPBELL CREEK AT MINNESOTA DR WATER QUALITY ENHANCEMENT POND UPGRADE	\$1,140	\$0	\$0	\$0	\$1,140
Category: <u>Public Works Miscellaneous</u>					
MUNICIPAL CONTRIBUTION TO TEA21 PROGRAM	\$300	\$0	\$0	\$0	\$300
RIGHT-OF-WAY ACQUISITION FOR FUTURE ROADS	\$1,000	\$0	\$0	\$0	\$1,000
TOTAL PROJECT MANAGEMENT & ENGINEERING	\$33,850				
TOTAL GENERAL OBLIGATION BOND FUNDING PROPOSED	\$35,960				

2005-2010 Capital Improvement Budget/Program
STATE LEGISLATIVE CAPITAL GRANTS RECEIVED
1989-2004

Year	Capital Bill No.	Fire	Police	Health & Human Services	Transit	Project Management & Engineering	Parks & Rec, Library, Museum	Facilities/ Misc	Other	TOTAL
2004	SB 283	\$0	\$100,000	\$0	\$0	\$424,000	\$0	\$0	\$125,000	\$649,000
2003	SB 100	0	\$ 75,000	0	0	1,169,083	50,000	0	0	1,294,083
2002	SB 2006	440,000	0	55,000	0	\$7,217,252	30,000	2,150,000	\$376,294	10,268,546
2001	SB 29	367,800	30,000	200,000	0	8,336,000	125,167	1,250,000		10,308,967
2000	SB 192	484,000	500,000	0	0	\$ 820,000	1,568,398	\$ 970,000		\$4,342,398
1999	SB 32	1,180,000	0	0	0	400,000	1,600,000	1,110,000		4,290,000
1998	SB 231	25,000	0	0	0	2,048,996	1,994,484	1,131,158		5,199,638
1998	SB 231	0	0	0	0	-1,253,446	0	0		-1,253,446
1997	SB 107	245,000	0	0	0	1,553,464	1,704,000	2,980,000		6,482,464
1997	SB 107	0	0	0	0	-230,421	-18,793	0		-249,214
1996	SB 136	105,000	8,000	0	0	4,570,430	409,640	2,704,000		7,797,070
1996	SB 136	0	0	0	0	-5,402,510	0	0		-5,402,510
1995	HB 268	0	0	13,423	0	3,640,000	898,000	2,289,191		6,840,614
1995	HB 268	0	0	-13,423	0	-696,902	-100,000	0		-810,325
1994	SB 363	0	0	0	0	0	0	1,467,300		1,467,300
1994	HB 441	0	0	0	0	-176,124	0	0		-176,124
1993	SB 183	1,306,000	237,000	272,640	171,000	10,507,120	1,481,800	1,599,000		15,574,560
1993	SB 165	0	0	0	0	82,519	43,054	6,000		131,573
1992	SB 483	2,004,000	510,000	803,000	0	9,362,053	487,500	2,165,000		15,331,553
1991	HB 15	1,337,000	3,300,000	2,135,000	0	25,434,425	1,129,306	300,000		33,635,731
1990	HB 463	0	0	0	0	2,412,745	-190,000	0		2,222,745
1989	HB 163	194,380	0	0	75,000	12,563,184	722,728	0		13,555,292
TOTALS		\$7,688,180	\$4,760,000	\$3,465,640	\$246,000	\$82,781,868	\$11,935,284	\$20,121,649	\$501,294	\$131,499,915

Total State grants received are NET of repealed grants (unspent balances of expired grants) which reduce the total if the repealed grants were not reappropriated to the Municipality. In 1994, \$6.3 million was allocated to the Municipality, of which \$4.9 million was directed to Anchorage Water and Wastewater; since AWWU is a utility, this grant amount does not appear in the table above.

For 2005 the proposed capital budget includes \$10,100,000 of State grant requests for various capital projects. A detailed list of 2005 general government projects citing State grant funding is summarized beginning on the next page.

STATE GRANT Funding Requested in 2005 Capital Improvement Budget

(000's)

DEPARTMENT/PROJECT	<u>DISCRETIONARY GRANT REQUESTED</u>	PROPOSED BOND	OTHER FUNDING	TOTAL FUNDING
FIRE DEPARTMENT				
Category: <u>Anchorage Fire</u>				
EXPANSION OF EAGLE RIVER SOUTHFORK VFS	\$500	\$0	\$0	\$500
PROJECT MANAGEMENT & ENGINEERING				
Category: <u>Roadway Improvements</u>				
RASPBERRY RD EXTENSION - MINNESOTA DR TO ROVENNA ST	\$1,500	\$0	\$0	\$1,500
STRAWBERRY RD UPGRADE - JEWEL LAKE RD TO NORTHWOOD DR	\$1,300	\$0	\$0	\$1,300
EAGLE RIVER/CHUGIAK ROAD AND DRAINAGE REHAB	\$500	\$0	\$2,100	\$2,600
72ND AVE/SPRUCE ST/LORE RD UPGRADE - LAKE OTIS PKWY TO ABBOTT LOOP RD	\$800	\$0	\$0	\$800
80TH AVE UPGRADE - LAKE OTIS PKWY TO SPRUCE ST	\$500	\$0	\$0	\$500
HILLSIDE LRSA's ROAD AND DRAINAGE SYSTEM REHABILITATION	\$140	\$0	\$60	\$200
GIRDWOOD RSA ROAD AND DRAINAGE SYSTEM REHABILITATION	\$70	\$0	\$30	\$100
36TH AVE UPGRADE - PATTERSON ST TO MULDOON RD	\$500	\$0	\$0	\$500
88TH AVE UPGRADE- SPRUCE ST TO ABBOTT LOOP RD	\$540	\$0	\$0	\$540
JOHNS RD UPGRADE/RECONSTRUCTION - KLATT RD TO HIGHVIEW DR	\$700	\$0	\$0	\$700
Category: <u>Transportation Enhancements</u>				
NORTHERN LIGHTS BLVD SOUND BARRIER FENCE - SEWARD HWY TO LAKE OTIS PKWY	\$600	\$0	\$0	\$600
Category: <u>Safety Improvements</u>				
INTERSECTION SAFETY IMPROVEMENTS	\$800	\$300	\$0	\$1,100
Category: <u>Drainage - Collection</u>				
LOWER HILLSIDE AREA STORM DRAINAGE	\$70	\$0	\$30	\$100
OFFICE OF ECONOMIC & COMMUNITY DEVELOPMENT				
Category: <u>Girdwood Parks & Recreation</u>				
GIRDWOOD BIKE TRAIL/WALKWAY	\$1,500	\$0	\$0	\$1,500
GIRDWOOD FOREST FAIR PARK	\$80	\$0	\$0	\$80
TOTAL STATE GRANT FUNDING REQUESTED	\$10,100			

2005-2010 Capital Improvement Budget/Program

Operations & Maintenance Cost Estimate

A major factor in determining the affordability of a capital budget is the operation and maintenance (O&M) cost of the completed projects. The estimated yearly increase in operation and maintenance costs for the 2005 capital projects is approximately \$225,000 when all projects are fully on-line.

Summary of Operating and Maintenance Costs for 2005 CIB (In Thousands-2004 Dollars)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Operation and Maintenance Costs	\$37.0	\$162.3	\$210.0	\$225.0	\$225.0	\$225.0

STATE ROADWAY IMPROVEMENTS

Note that \$497,131,000 of high priority improvements to State roadways falling within the Municipality's boundaries have been identified and included as supplemental information under the section entitled "State Roadway Improvements". Given that State roadway improvement projects are the responsibility of State DOT/PF, the amounts and sources of funding for these projects have not been included in the 2005-2010 CIB/CIP financial summaries or as part of the capital budget appropriation documents.

The State roadway projects included in the 2005-2010 Capital Improvement Program have been selected to demonstrate municipal support of these projects as high priorities for Anchorage.

MUNICIPALITY OF ANCHORAGE
SUMMARY OF GENERAL OBLIGATION INDEBTEDNESS

ANTICIPATED OUTSTANDING GENERAL OBLIGATION DEBT AS OF 9/01/04

General Government

General Government General Purpose	\$77,715,000	
Roads	<u>234,315,000</u>	\$312,030,000

Schools

661,675,000

Utilities (Revenue Bonds Not Included)

Wastewater	\$12,970,000	
Solid Waste	<u>5,225,000</u>	18,195,000

TOTAL GENERAL OBLIGATION DEBT

\$991,900,000

GENERAL OBLIGATION DEBT AUTHORIZED BUT UNISSUED THROUGH 9/01/04

Municipality of Anchorage	102,270,000
Anchorage School District	116,985,000

ANTICIPATED AMOUNT OF GENERAL OBLIGATION DEBT TO BE RETIRED 2004-2009, AS OF 9/01/03

<u>Year Ending December 31</u>	<u>General Government</u>	<u>Schools</u>	<u>Utilities</u>	<u>Total</u>
2005	22,635,000	33,405,000	8,000,000	\$ 64,040,000
2006	23,035,000	34,430,000	6,415,000	\$ 63,880,000
2007	20,415,000	35,555,000	430,000	\$ 56,400,000
2008	18,645,000	36,935,000	455,000	\$ 56,035,000
2008	17,905,000	38,580,000	480,000	\$ 56,965,000
2010	18,085,000	40,445,000	505,000	\$ 59,035,000
TOTAL	<u>\$120,720,000</u>	<u>\$219,350,000</u>	<u>\$16,285,000</u>	<u>\$356,355,000</u>

TAX SUPPORTED DEBT PER CAPITA

<u>Fiscal Year</u>	<u>Population</u>	<u>Tax Supported Debt*</u>	<u>Tax Supported Debt Per Capita</u>
1990	226,338	\$345,345,579	\$1,526
1991	235,631	330,417,189	1,402
1992	244,093	372,645,556	1,527
1993	249,398	368,677,361	1,478
1994	253,560	412,960,770	1,629
1995	252,876	395,307,681	1,563
1996	253,234	500,636,340	1,976
1997	254,542	525,385,000	2,064
1998	258,800	522,385,000	2,018
1999	260,904	601,415,000	2,305
2000	259,391	696,560,000	2,685
2001	263,940	778,060,000	2,948
2002	269,070	925,145,000	3,438
2003	272,299	1,030,425,000	3,784
2004	277,017	973,705,000	3,515

* Includes Anchorage School District G. O. Bond Debt

RATIO OF TAX-SUPPORTED DEBT TO ASSESSED VALUE

<u>Fiscal Year</u>	<u>Assessed Value¹</u>	<u>Tax Supported Debt²</u>	<u>Ratio of Tax Supported Debt to Assessed Value</u>
1993	10,963,703,876	368,677,361	3.36%
1994	11,212,573,346	412,960,770	3.71%
1995	11,535,851,890	395,307,681	3.43%
1996	12,056,420,080	500,636,340	4.15%
1997	12,932,515,373	525,385,000	4.06%
1998	13,619,403,181	522,385,000	3.84%
1999	14,505,001,156	601,415,000	4.15%
2000	15,563,158,781	696,560,000	4.48%
2001	15,977,582,221	778,060,000	4.87%
2002	17,821,600,651	925,145,000	5.19%
2003	19,540,958,207	1,030,425,000	5.27%
2004	21,230,914,067	973,705,000	4.59%

GENERAL OBLIGATION BOND DEBT SERVICE AS A PERCENT OF TOTAL GENERAL GOVERNMENT BUDGET FOR MUNICIPALITY OF ANCHORAGE³

<u>Fiscal Year</u>	<u>Total General Government Revised Operating Budget</u>	<u>General Government G. O. Debt Service</u>	<u>Percent⁴</u>
1994	217,823,960	22,637,834	10.6%
1995	217,642,480	22,958,050	10.5%
1996	227,496,470	24,906,853	10.9%
1997	238,908,730	25,519,568	10.7%
1998	251,084,978	25,494,972	10.2%
1999	258,607,670	25,764,970	10.0%
2000	259,231,060	28,320,723	10.9%
2001	266,863,400	33,892,910	12.7%
2002	273,759,470	35,286,390	12.9%
2003	283,497,130	36,014,630	12.7%
2004	303,525,960	39,770,600	13.1%

¹ Excludes Senior Citizens property values.

² Includes Anchorage School District G. O. Bond Debt.

³ Does not include Operating Budget or G. O. Bond debt service for Anchorage School District.

⁴ Rating agencies have indicated that they begin to scrutinize more closely those communities whose figure approaches 15%. If a city is young and growing, however, even a 15% figure is not considered unreasonable.