

MUNICIPALITY OF ANCHORAGE

GENERAL GOVERNMENT*

2001-2006 CAPITAL IMPROVEMENT PROGRAM

The 2001-2006 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.

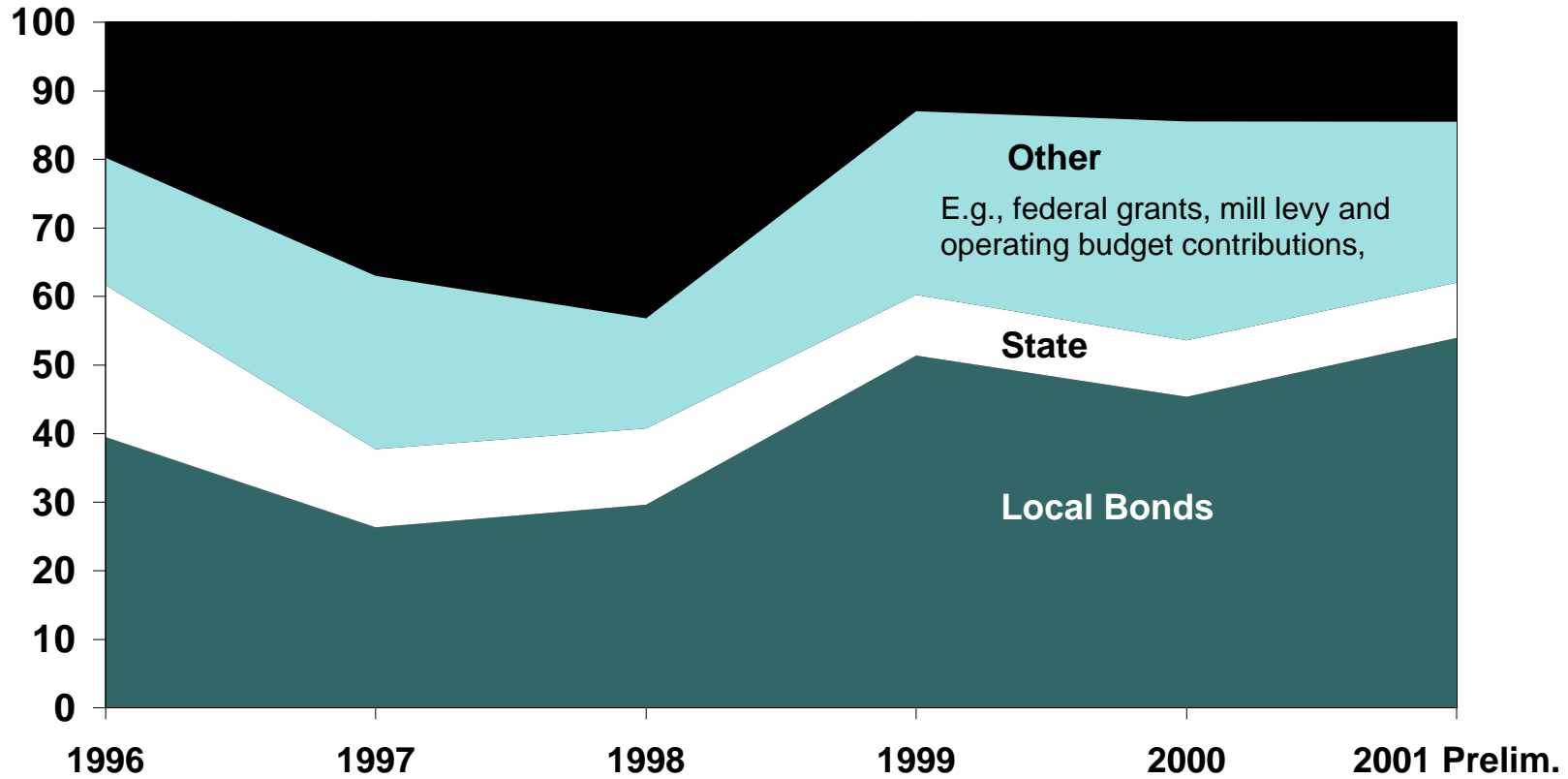
The 2001-2006 CIP has been formulated with the participation of Community Councils. Many recommendations have been incorporated into the CIP program. Informational meetings and review sessions were held with interested citizen groups, the Planning and Zoning Commission and the Assembly. Also reflected in the document are needs identified by the staff of the general government departments who would oversee the projects.

The 2001-2006 CIP emphasizes maintaining the existing capital infrastructure (e.g., roads and facilities), complying with state and federal mandates, improving transit centers and bus stops, developing parks and trails, and enhancing public safety and sports and recreation facilities. The State will be asked to provide matching funds for some of these projects, especially in the areas of deferred and on-going major maintenance to public buildings, complying with federal mandates, and road and sports facility improvements.

As the graph on the next page (1996-2001 *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. While the State Capital Project Matching Grant Program continues to provide some funding, locally generated sources now represent the most significant means of capital project funding. The Municipality received allocations of \$6.3 million in 1995, \$4.5 million in 1996, \$6.5 million in 1997, and \$4.3 million in 1998, 1999 and 2000, which represented an average of 32% of total funding for the Statewide program. 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.

2001-2006 Capital Improvement Budget
1996-2001
CAPITAL FUNDING REQUESTED
(\$millions)



This graph illustrates the increased emphasis of local, voter-approved bonds as a funding source in the Capital Improvement Budget.

2001-2006 Capital Improvement Budget/Program

STATE LEGISLATIVE CAPITAL GRANTS RECEIVED

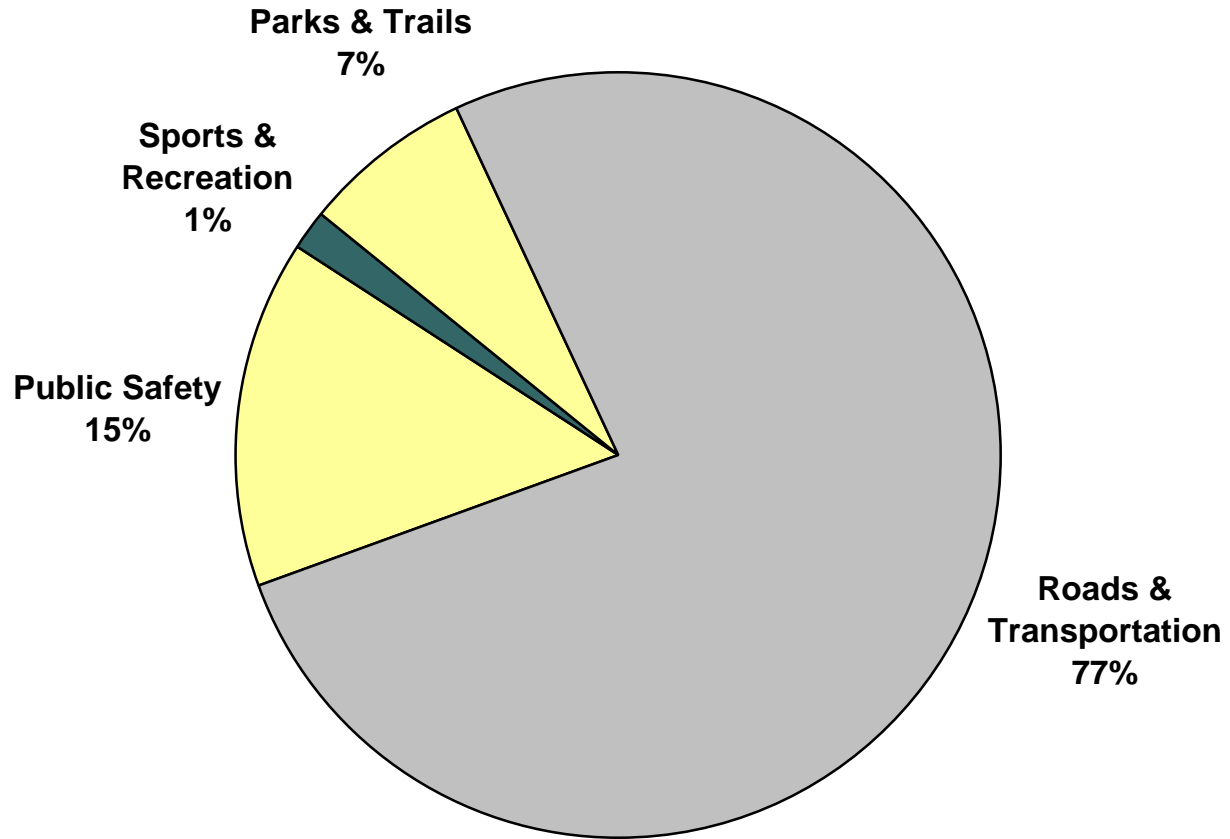
1987-2000

Year	Capital Bill No.	Fire	Police	Health & Human Services	Transit	Project Management & Engineering	Cultural & Rec Svcs	Facilities/ Misc	TOTAL
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
1988	HB 512	0	0	0	80,000	8,233,900	2,846,400	0	11,160,300
1988	HB 543	14,297	0	70,125	0	-226,160	-13,944	0	-155,682
1987	HB 29	0	0	500,000	0	6,054,577	96,917	0	6,651,494
TOTALS		\$6,894,677	\$4,555,000	\$3,780,765	\$326,000	\$79,697,850	\$14,659,490	\$16,721,649	\$126,635,431

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 2001, the approved capital budget includes \$8,080,000 of State grant requests (\$4,805,000 of Municipal Capital Project Matching grants, \$1,000,000 OF Alaska Department of Environmental Conservation Matching Grants, and \$2,275,000 of discretionary Legislative grants) for various capital projects. A detailed list of 2001 general government projects citing State grant funding is summarized beginning on the next page.

2001-2006 Capital Improvement Budget

**2001 BOND PROPOSITIONS BY TYPE OF PROJECT
\$53,945,000**



VOTER-APPROVED GENERAL OBLIGATION BOND PROPOSITIONS

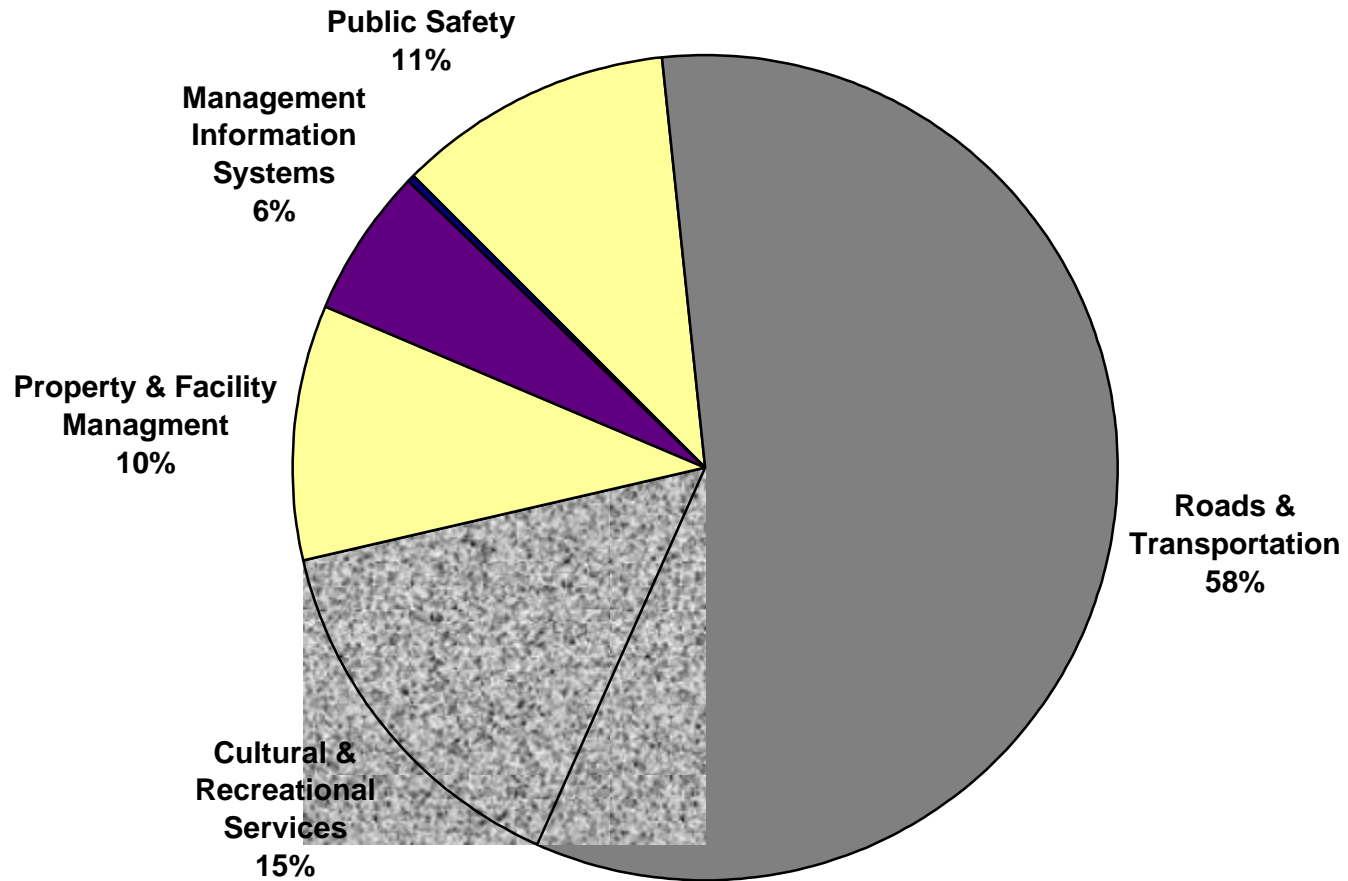
1990 - 2000

(\$\$\$ millions)

General Obligation Bond Type	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	TOTAL
Roads & Transit	\$11.0	\$15.0	\$0.0	\$18.0	\$12.7	\$18.0	\$15.0	\$19.3	\$28.7	\$30.0	\$28.8	\$196.5
Property & Facility Management	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.8
Public Safety	\$6.9	\$0.0	\$0.0	\$0.0	\$0.0	\$2.8	\$2.6	\$2.8	\$4.8	\$13.1	\$6.3	\$39.3
Cultural & Recreational Services	\$0.0	\$5.0	\$0.0	\$0.0	\$0.0	\$5.7	\$0.0	\$5.1	\$0.0	\$7.9	\$8.0	\$31.7
TOTAL	\$17.9	\$20.0	\$0.0	\$18.0	\$12.7	\$27.3	\$17.6	\$27.2	\$33.5	\$51.0	\$43.1	\$268.3

For 2001, the capital budget includes \$53,945,000 in general obligation bonds for roads and transportation, public safety, sports facilities, and parks and trail rehabilitation projects around the city. A detailed list of projects currently proposed for the April 3, 2001 ballot is summarized beginning on the next page.

2001-2006 Capital Improvement Budget
2001 CIB - DISTRIBUTION BY FUNCTION CATEGORY
(INCLUDES ALL FUNDING SOURCES)
\$85,438,000



2001-2006 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 2001 capital projects are approximately \$796,300 when all projects are fully on-line.

Summary of Operating and Maintenance Costs for 2001 CIB Projects (In Thousands-2001 Dollars)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Operation and Maintenance Costs ¹	\$14.0	\$7.4	\$30.9	\$103.6	\$717.0	\$3,704.9

NOTE: In 2005, two new Fire stations, Southport Area and Tudor/Baxter, and scheduled to become operational; full year operations and maintenance costs for these two stations are included in 2006.

¹ Does not reflect 2001 CIB O&M for Management Information Systems (MIS) of \$652.4. MIS O&M differs from other departments in that it consists entirely of non-bond interest and depreciation.

STATE ROADWAY IMPROVEMENTS

Note that \$366,641,000 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 2001-2006 CIB/CIP financial summaries or as part of the capital budget appropriation documents.

The State roadway projects included in the 2001-2006 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 1/01/01

General Government

General Government General Purpose	\$ 68,635,000	
Roads	<u>232,000,000</u>	300,635,000

Schools 436,445,000

Utilities (Revenue Bonds Not Included)

Wastewater	\$ 33,365,000	
Solid Waste	<u>13,335,000</u>	46,700,000

TOTAL GENERAL OBLIGATION DEBT **\$783,780,000**

GENERAL OBLIGATION DEBT AUTHORIZED BUT UNSOLD-PROJECTED THROUGH 1/01/01

Anchorage School District	\$138,150,000 ¹
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¹ ASD bond sale of \$77,900,000 scheduled for late September 2000.

ANTICIPATED AMOUNT OF GENERAL OBLIGATION DEBT TO BE RETIRED 2001-2006, AS OF 1/01/01

<u>Year Ending December 31</u>	<u>General Government</u>	<u>Schools</u>	<u>Utilities</u>	<u>Total</u>
2001	19,130,000	22,725,000	7,360,000	\$ 49,215,000
2002	19,465,000	22,345,000	7,590,000	\$ 49,400,000
2003	18,385,000	22,330,000	7,720,000	\$ 48,435,000
2004	18,570,000	23,545,000	7,760,000	\$ 49,875,000
2005	19,155,000	21,920,000	7,945,000	\$ 49,020,000
2006	19,555,000	22,525,000	6,455,000	\$ 48,535,000
TOTAL	<u>\$114,260,000</u>	<u>\$135,390,000</u>	<u>\$44,830,000</u>	<u>\$294,480,000</u>

TAX SUPPORTED DEBT PER CAPITA

<u>Fiscal Year</u>	<u>Population</u>	<u>Tax Supported Debt¹</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

¹ 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>
1991	\$ 8,989,009,057	\$330,417,189	3.68%
1992	9,952,886,155	372,645,556	3.74%
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	15,368,487,409	696,560,000	4.53%

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>
1991	\$204,110,080	22,735,323	11.1%
1992	215,531,570	22,897,573	10.6%
1993	215,022,860	23,924,655	11.1%
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	258,783,850	25,764,970	10.0%
2000	259,231,060	28,320,723	10.9%

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.