

Submitted by: ASSEMBLY MEMBER COFFEY

Prepared by: Assembly Counsel

For reading: December 16, 2008

CLERK'S OFFICE

APPROVED

Date: 12-16-08

ANCHORAGE, ALASKA

AR NO. 2008-329

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY RELATING TO THE
PROPERTY TAX STATUS OF ALASKA PACIFIC UNIVERSITY CAMPUS PROPERTY
USED TO GENERATE INCOME TO SUPPORT ALASKA PACIFIC UNIVERSITY'S
EDUCATIONAL PROGRAMS.**

WHEREAS, Alaska Pacific University, a private education institution serving an important public purpose, is a non-profit corporation which exists to encourage, promote, and extend instruction, research and education; and

WHEREAS, Alaska Pacific University and the United States Department of the Interior agreed that use of the Alaska Pacific University campus property for "educational and public purposes" allows development of revenue producing facilities on the campus; and

WHEREAS, Alaska Pacific University reports that none of its educational programs are profitable, revenue from tuition and fees covers only a portion of the cost of operating the University, and funds generated by income producing campus property is an essential component of the university's budget; and

WHEREAS, beginning with tax year 2006, the Municipality of Anchorage has assessed property tax on that portion of Alaska Pacific University campus property under lease to for-profit enterprise; and

WHEREAS, Alaska Pacific University provides an early honors program in cooperation with the Anchorage School District allowing Anchorage students to finish their high school education and obtain college level instruction and credit, which program lessens the burden on the government of providing public education for students enrolled in the program; and

WHEREAS, use of campus property (whether for classrooms, research facilities, administrative offices, recreation facilities, faculty, student and administrative housing, public broadcasting or leases to other parties which facilitate creation of educational opportunities or programs or which have a significant relation to an existing education program offered by Alaska Pacific University) provides a significant public benefit, improves public welfare and lessens the burden on the government of providing public education; and

WHEREAS, Alaska Pacific University is a tax-exempt educational institution under the Internal Revenue Code; and

1 WHEREAS, both Alaska Pacific University and the University of Alaska Anchorage
2 are significant institutions in the Municipality that enhance the educational and cultural
3 fabric of this community; and

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5 WHEREAS, the real property owned by the University of Alaska Anchorage and
6 leased to for-profit entities to generate income for the University of Alaska, is not subject to
7 municipal property tax under state law; and

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9 WHEREAS, Alaska Pacific University, as a private accredited post secondary
10 institution, seeks an exemption in state law from municipal taxation on parity with the
11 University of Alaska Anchorage, for all campus property, including all income-producing
12 property under lease to for-profit enterprise;

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14 NOW, THEREFORE, the Anchorage Assembly recognizes and resolves:

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16 1. Private accredited post secondary institutions make important social and
17 economic contributions to the community.

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19 2. Alaska Pacific University receives no direct funding from the Municipality of
20 Anchorage.


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22 3. Absent a change in state law, certain income-producing property of Alaska
23 Pacific University under lease to for-profit enterprise is not exempt from municipal property
24 tax.

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26 4. The Alaska Legislature is encouraged to enact legislation authorizing a
27 municipal property tax exemption to Alaska Pacific University for all of its contiguous
28 Anchorage Campus, so that Alaska Pacific University campus property would be taxed no
29 more than University of Alaska Anchorage property.

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31 PASSED AND APPROVED by the Anchorage Assembly this 16th day of
32 December, 2008.

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35 Chair

36 ATTEST:

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39 Municipal Clerk