

CITY OF ANCHORAGE

THE
NEXT
SIX
YEARS

capital improvement program

1958-1963

COUNCIL-MANAGER GOVERNMENT



POST OFFICE BOX 400

March 20, 1958

Honorable Mayor Anton Anderson
and Members of City Council
City of Anchorage

Gentlemen:

Pursuant to Sec. 2-97 (e) of the Code of Ordinances of the City of Anchorage, the City Planning Commission herewith submits its first Capital Improvement Program for the six-year period 1958 through 1963.

This first Program is submitted at this time in accordance with Federal Law which requires that a city have a Capital Improvement Program before it shall be eligible to proceed with an Urban Renewal Project. Each year hereafter, the recommended Capital Improvement Program will be submitted by October 1 for use in preparing the subsequent annual budget as required by the Code of Ordinances. This submission is not as complete as future programs will be. It will be further revised later this year before 1959 budget considerations begin.

The purpose of the Capital Improvement Program is to provide a long-range plan for major new construction and additions according to (1) the funds available and (2) the relative need for each project. Recommendations for the first year of each six-year Program will be firm requests. The remainder of the Program is necessarily flexible in nature. In each succeeding year, recommendations will be revised and the Program projected another year according to future needs and future ability to pay. The Program is highly useful because it documents the probable timing of future improvements and thus aids all agencies of the City to better plan for the future.

The Capital Improvement Program is based on two assumptions: (1) That present tax sources and utility rates will remain the same throughout the six-year period and (2) That no annexation will take place. The results of future annexation and future changes in tax and utility rates will be reflected in changes

in future Capital Improvement Programs as they are submitted to you each year. The present Program includes the Rogers Park annexation area as part of the present corporate limits of the City.

Separate Schedules of Recommended Improvements are prepared for the General Fund, Electric Utility, Telephone Utility, Water Utility and Port of Anchorage since each is necessarily independent of the other.

The present Program recommends the expenditure of \$21,961,805 for the five separate funds during the Program period 1958-1963. The recommendations are distributed among the funds as follows:

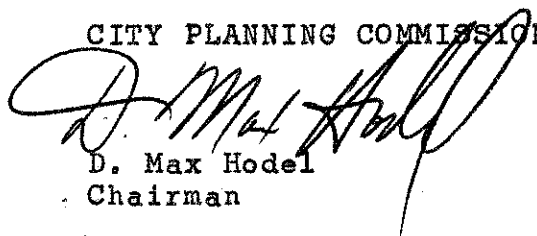
General Fund	\$2,926,050
Electric Utility	3,235,755
Telephone Utility.	5,290,000
Water Utility.	2,510,000
Port of Anchorage.	8,000,000

The General Fund includes the widest range of City improvements. It is also the Fund which has the least amount of available revenues, as documented in Tables 1, 2 and 3 of the Statistical Appendix. The Water Utility is also severely hampered by lack of revenues. The other funds are not similarly hampered.

The Planning Commission wishes to extend its thanks to the City Manager and all departments represented in the report for the cooperation they have extended.

Sincerely,

CITY PLANNING COMMISSION


D. Max Hodel
Chairman

General Fund

The Schedule of Recommended Improvements for 1958 through 1963 includes only projects for which funds have not already been allocated and thus included in the overall revenue-expenditure estimates. The anticipated annual excess of revenues over expenditures is the basis of the programming in the following schedule.

Already included in the revenue-expenditure estimates are funds for such projects as preliminary engineering and design of the proposed Anchorage municipal port, opening and improving of Third Avenue from Post Road to Mountain View to provide a new east-west artery, the sanitary sewer construction in the Grandview Gardens-City View area, and off-street parking improvements being made from parking meter revenues.

No recommendations are made for the City's share in construction of proposed freeways because plans have not yet been finalized and the amount of Federal and Territorial assistance has not yet been determined. Development of a revised highway plan after completion of origin-destination traffic studies this summer may make budget recommendations possible in the next Capital Improvement Program.

Only two projects are recommended for 1958. The commitment for Government Hill Urban Renewal was previously made and is due this spring. Most of the funds are already available for improvement of the new Goose Lake Recreation area so the additional sum is recommended to complete this project without further delay.

Only three projects are recommended for 1959. Two of them, storm drains and sanitary sewers for the Government Hill Urban Renewal Project, have been previously committed. Their cost is relatively small and does not seriously affect available funds. The Goose Lake Outfall Sewer is immediately necessary to serve the proposed Mental Health Hospital at Goose Lake, as well as the Methodist College and the existing elementary school. Cost is assessed to the benefiting property owners so the project only affects the City's debt limit.

Projects recommended for 1960 are reduced to only two in number because of the continuing lack of revenue due to previously incurred debt service. Improvement of additional acreage at Merrill Field is recommended because a small cash outlay will net quick return in increased revenues from the additional tie-down space. The South Mountain View sewer improvement is recommended as a serious public need, the cost of which will be assessed to the benefiting property owners. The project only affects the City's debt limit. The sewer project may have to be rescheduled, however, if Alaska Public Works assistance is not available.

Gradual improvement of the City's financial situation in 1961 through 1963 permits scheduling of more substantial capital

While not included in the present six-year capital improvement program, the year 1964 will permit a substantial increase in capital expenditures because of further improvement in the City's financial situation by that time. It is already anticipated that recommendation will be made for the construction of two new fire stations, the purchase of two additional pieces of fire fighting equipment, the construction of the Knik Arm sanitary sewer interceptor and probably the construction of a ball park in Smith Memorial Park in that year. The fire fighting facilities and sewer interceptor are badly needed for the public health and safety. The new major ball park will be needed because construction of the public safety building in 1962 will eliminate the present Mulcahy Park facility at that time.

project. and financial arrangements at a later planning stage of the deferred from 1961 to 1963 pending more definite cost estimates street paving in the Westchester Urban Renewal Project has been cost can be assessed to the benefiting property owners. Cost of a serious public need. Only about 33 per cent of the project Construction of a sanitary sewer system is recommended in 1963 as

higher rates for tie-down space and other leases as a result. cost and a rapid return on the initial investment because of tied in 1962 and 1963 because of extensive Federal aid in initial stages. Paving of roads and taxiways at Merrill Field is justified in 1962 and 1963 because of extensive Federal aid in initial Renewal Projects which are now in the preliminary and planning incurred by the City in the Eastchester and Westchester Urban facilities as recommended in the Preliminary Plan for Fire Protection. Provision is also made for probable obligations to be the safety building housing central police and fire headquarters delayed and very necessary project recommended for 1962 is a public modest scale is recommended to begin in 1962. Another long-

A resumption of street paving and storm drain construction on a A resumption of street paving and storm drain construction on a in the cost of the project. area has been previously committed as part of the City's share building. Park development in the Government Hill Urban Renewal substantial Federal aid is available for construction of the recommended because of increased volumes of business and because struction of an office and garage building at Merrill Field is cost of such projects will have to be borne by the City. Con- Alaska Public Works assistance by that time, one-third of the 1961 as a serious public need. With the probable cessation of improvements. The Rogers Park sanitary sewer is recommended in

SCHEDULE OF RECOMMENDED IMPROVEMENTS

1958 - 1963

GENERAL FUND

The recommended capital improvements for each year, 1958 through 1963, are summarized below. Listed in the left-hand column below are the capital improvement projects requested by the various city departments and agencies. The recommendations of the City Planning Commission for each requested project are shown in the right-hand column.

1958

Goose Lake Park Improvements

\$25,000 has been requested in 1958 to supplement \$40,000 available from bond sales. Improvement includes bath-house and recreational facilities. Need dictated by abandonment of Lake Spenard as City recreational area.

It is recommended that \$25,000 be made available in 1958 from sale of authorized bonds to be amortized in 10 years.

Government Hill Urban Renewal

\$110,000 has been requested in 1958 as the City's cash share of the cost of this project which is to begin in 1958.

It is recommended that \$110,000 be made available in 1958 from current revenue.

The following projects requested in 1958 have been placed on the deferred list for lack of sufficient funds:

Merrill Field -- Improvement of additional area

Deferred to 1960

4.5 Miles Street Paving and 3 Miles Storm Drains

Deferred to 1962

1959

Goose Lake Sanitary Sewer Outfall

\$50,000 has been requested in 1959 as the City's cash share in this project. An additional \$50,000 is being sought from Alaska Public Works. The project will service the Mental Hospital Methodist College and present elementary school. The project is in accordance with the Preliminary Plan for Sanitary Sewers.

It is recommended that \$50,000 be made available in 1959 from sale of authorized bonds to be amortized in 10 years. The total amount will be assessed to benefiting property owners.

Storm Drains -- Government Hill Urban Renewal Project

\$50,000 has been requested in 1959 for the construction of storm drains according to the approved urban renewal plan.

It is recommended that \$50,000 be made available in 1959 from sale of authorized bonds to be amortized in 10 years.

Sanitary Sewers -- Government Hill Urban Renewal Project

\$6,300 has been requested in 1959 for the relocation of sanitary sewers according to the approved urban renewal plan.

It is recommended that \$6,300 be made available in 1959 from current revenues.

The following projects requested in 1959 have been placed on the deferred list for lack of sufficient funds:

Smith Park Improvements and Ball
Diamond

Deferred to 1964

Library Suburban Service Bookmobile

Deferred indefinitely

4.5 Miles Street Paving and 3 Miles
Storm Drains

Deferred indefinitely

Knik Arm Sanitary Sewer Interceptor

Deferred to 1964

Public Safety Building (Police and
Fire)

Deferred to 1962

1960

Sanitary Sewers -- South Mountain View

\$200,000 is requested in 1960 as the City's cash share in this project. An additional \$200,000 will have to be sought from Alaska Public Works if that agency is still in existence. The project is in accordance with the Preliminary Plan for Sanitary Sewers.

It is recommended that \$200,000 be made available in 1960 from sale of authorized bonds to be amortized in 10 years. The total amount will be assessed to benefiting property owners.

Improvement of Additional Area -- Merrill Field

\$7,000 was requested in 1958 and deferred to 1960 for clearing, stripping and grading additional area on the south side of the Airport. The Federal Airport Aid Program would provide \$33,750 towards the project.

It is recommended that \$3,000 made available in 1960 and \$2,000 each year 1961 and 1962 from current revenue. Additional lease revenue to the City will provide \$11,000 net additional income annually.

The following projects requested in 1960 have been placed on the deferred list for lack of sufficient funds:

Office and Garage Building -- Merrill Field

Deferred to 1961

4.5 Miles Street Paving and 3 Miles Storm Drains

Deferred indefinitely

Mountain View Fire Station

Deferred to 1964

Otis Lake Fire Station

Deferred to 1964

Pumper, Fire Department

Deferred to 1964

Aerial Ladder Truck, Fire Department

Deferred to 1964

1961

Sanitary Sewers - Rogers Park

\$350,000 is requested in 1961 for this project, assuming Alaska Public Works assistance is no longer available to Alaskan cities. If the Congress extends the present Alaska Public Works Act without change, the City's cash share in this project would be reduced by one-half.

It is recommended that \$350,000 be made available in 1961 from sale of authorized bonds to be amortized in 10 years. Approximately \$262,500 of the total amount will be assessed to benefiting property owners.

Park Development -- Government Hill Urban Renewal Project

\$25,000 is requested in 1961 for the construction of a park according to the approved urban renewal plan.

It is recommended that \$25,000 be made available in 1961 from sale of authorized bonds to be amortized in 10 years.

Office and Garage Building -- Merrill Field

\$6,000 is requested in 1961 as the City's cash share in this project. The Federal Airport Aid Program would provide \$18,000 towards the project.

It is recommended that \$6,000 be made available in 1961 from current revenue.

The following projects requested in 1961 have been placed on the deferred list for lack of sufficient funds:

Taxiway and Road Paving -- Merrill Field

Deferred to 1962

Paving and Storm Drains -- Westchester Urban Renewal Project

Deferred to 1963

5 Miles Street Paving

Deferred indefinitely

Sanitary Sewers -- Industrial Areas

Deferred indefinitely

1962

Street Paving and Storm Drains

\$1,500,000 was requested in 1958 and deferred to 1962 for the construction of three miles of storm drains and 4.5 miles of paving in various improvement districts in the order of receipt of petitions for such districts.

It is recommended that \$375,000 be made available in 1962 from sale of authorized bonds for an initial increment of the requested paving and storm drain program in such order as dictated by engineering requirements. Approximately \$100,000 of the recommended program will be assessed to benefiting property owners. Bonds to be amortized in 10 years.

Public Safety Building -- Police and Fire

\$800,000 was requested in 1958 and deferred to 1962 for this project which is recommended in the Preliminary Plan for Fire Protection.

It is recommended that \$800,000 be made available in 1962 from sale of bonds to be amortized in 20 years.

Park Development -- Westchester Urban Renewal Project

\$20,000 is requested in 1962 for this project which is in the preliminary planning stage.

It is recommended that \$20,000 be made available from sale of bonds to be amortized in 10 years.

Sanitary Sewers -- Eastchester Urban Renewal Project

\$100,000 is requested in 1962 for this project which is in the preliminary planning stage. Pending completion of more definite financial arrangements in later planning stages, it is tentatively assumed that an additional \$200,000 towards the cost of this project would be derived from Federal Urban Renewal funds.

It is recommended that \$100,000 be made available in 1962 from sale of authorized bonds to be amortized in 10 years.

1962

Taxiway and Road Paving -- Merrill Field

\$10,000 was requested in 1961 for this project for use in 1961 and 1962. The Federal Airport Aid Program would provide \$75,000 towards the project.

It is recommended that \$5,000 be made available each year 1962 and 1963 from current revenue. Subsequent increases in lease fees would provide \$7,000 net additional income annually.

The following projects requested in 1962 have been placed on the deferred list for lack of sufficient funds:

Ball Park Improvements -- Smith Park Deferred indefinitely

5 Miles Street Paving Deferred indefinitely

1963

Sanitary Sewer -- Green Acres

\$200,000 is requested in 1963 for this project.

It is recommended that \$200,000 be made available from sale of bonds to be amortized in 10 years. Approximately \$75,000 will be assessed to benefiting property owners. An additional portion of outfall costs can be assessed against future subdivisions adjacent to it.

Paving and Storm Drains -- Westchester Urban Renewal Project

\$215,000 was requested in 1961 and deferred to 1963 for this which is in the preliminary planning stage.

It is recommended that \$215,000 be made available from sale of authorized bonds to be amortized in 10 years.

1963

The following projects requested in 1963 have been placed on the deferred list for lack of sufficient funds:

<u>Five Miles Street Paving</u>	Deferred indefinitely
<u>New City Hall</u>	Deferred indefinitely
<u>Bootlegger's Cove Park Dam and Lagoon</u>	Deferred indefinitely

Electric Utility

The Municipal Light and Power Department is in excellent financial condition and is the only City utility which is debt-free. Previous rate reductions have resulted in increased power consumption, resulting in continued high earnings.

Routine maintenance and rehabilitation of the present distribution system and the traffic signal and street light systems is accomplished through the depreciation reserve of the utility. Major extensions and additions to these systems can be readily financed from current operating revenues as recommended in the following Schedule of Recommended Improvements.

Increasing power consumption requires the Municipal Light and Power Department to plan now for increased power generation -- either with additions to its own plant or by purchase of firm power from other agencies. At the present time, there are several possibilities of obtaining additional generating capacity from other agencies:

1. An additional supply of water in Lake Eklutna due to above-average precipitation could provide a substantial block of dump power over and above the City's present allocation from the Eklutna hydroelectric project operated by the Bureau of Reclamation.
2. The Bureau of Reclamation may succeed in arranging a power exchange agreement with the Military which would increase the amount of power available to the City without construction of additional generating capacity.
3. The Chugach Electric Association might offer to sell power from the Knik Arm steam plant at a rate which would justify its purchase by the City.
4. A power pool including all generating agencies in the area might be created. A power pool would allow mutual sharing of all power generated in the area and make more power available to the City.

All of these possibilities require positive action from other agencies and the City cannot gamble that any one of them might become a possibility by the time the City exhausts its present generating capacity in 1961. A firm policy of acquiring additional capacity is therefore necessary.

It is recommended in the following Schedule that the Municipal Light and Power Department take immediate steps in 1959 to augment its present diesel generating capacity pending development

of other sources of energy by other agencies at a favorable rate. Installation of additional increments of diesel generating capacity is recommended during the six-year program period. These recommendations are subject to annual review and possible change if other, more favorable, sources of energy become definitely possible.

In the years beyond the Program period there is definite possibility of construction of a major generating unit capable of producing a high volume of power at a low unit cost. It is this possibility which must be assessed each year in recommending a new City Program for power generation. The present Program recommendation calls for acquisition of small increments of additional capacity which can be rapidly amortized pending availability of low cost power from a major generating source.

SCHEDULE OF RECOMMENDED IMPROVEMENTS

1958 - 1963

ELECTRIC UTILITY

1958

Traffic Signal Installation

\$31,000 is requested in 1958 for signals on Sixth Avenue and for completion of radio-controlled signal coordinating system.

It is recommended that \$31,000 be made available in 1958 from current revenues.

Underground Cable Installation

\$108,000 is requested in 1958 for gradual conversion from aerial to underground system in the central business district.

It is recommended that \$108,000 be made available in 1958 from current revenues.

Additions to Street Light System

\$19,000 is requested in 1958 for major additions to the street light system in areas not now adequately served.

It is recommended that \$19,000 be made available in 1958 from current revenues.

Substation Construction

\$20,000 is requested in 1958 for an addition to the present Spenard substation.

It is recommended that \$20,000 be made available in 1958 from current revenues.

Overhead Line Reconstruction

\$80,000 is requested in 1958 for a continuing program of major overhead line improvements as time permits.

It is recommended that \$80,000 be made available in 1958 from current revenues.

1958

Miscellaneous New Extensions

\$28,755 is requested in 1958 for extension of outside plant facilities to new service areas.

It is recommended that \$28,755 be made available in 1958 from current revenues.

1959

Underground Cable Installation

\$75,000 is requested each year 1959 and 1960 for continuation of this project.

It is recommended that \$75,000 be made available each year 1959 and 1960 from current revenues.

Additions to Street Light System

\$20,000 is requested for each year 1959 through 1963 for major additions to the street light system in areas not adequately served.

It is recommended that \$20,000 be made available each year 1959 through 1963 from current revenues.

Substation Construction

\$50,000 is requested in 1959 for construction in the railroad terminal yards.

It is recommended that \$50,000 be made available in 1959 from current revenues.

Overhead Line Reconstruction

\$75,000 is requested in 1959 for continuation of this project.

It is recommended that \$75,000 be made available in 1959 from current revenues.

Miscellaneous New Extensions

\$74,000 is requested in 1959 for extension of outside plant facilities to new service areas.

It is recommended that \$74,000 be made available in 1959 from current revenues.

1959

Diesel Generator and Building Addition

\$600,000 is requested in 1959 for construction of an addition to the present diesel plant and the installation of a 2500 KW diesel generator.

It is recommended that \$600,000 be made available in 1959 from the sale of revenue bonds to be amortized in 10 or 20 years.

1960

Overhead Line Reconstruction

\$100,000 is requested in 1960 for continuation of this project.

It is recommended that \$100,000 be made available in 1960 from current revenues.

Miscellaneous New Extensions

\$100,000 is requested in 1960 for extension of outside plant facilities to new service areas.

It is recommended that \$100,000 be made available in 1960 from current revenues.

1961

Underground Cable Installation

\$20,000 is requested each year 1961 through 1963 for continuation of this project.

It is recommended that \$20,000 be made available each year 1961 through 1963 from current revenues.

Substation Construction

\$100,000 is requested in 1961 for substation construction as required by load distribution.

It is recommended that \$100,000 be made available in 1961 from current revenues.

1961

Overhead Line Reconstruction

\$80,000 is requested in 1961 for continuation of this project.

It is recommended that \$80,000 be made available in 1961 from current revenues.

Miscellaneous New Extensions

\$85,000 is requested in 1961 for extension of outside plant facilities to new service areas.

It is recommended that \$85,000 be made available in 1961 from current revenues.

Diesel Generator

\$400,000 is requested in 1961 for installation of an additional 2500 KW diesel generator to meet anticipated demand increases.

It is recommended that \$400,000 be made available in 1961 from the sale of revenue bonds to be amortized in 10 or 20 years.

1962

Overhead Line Reconstruction

\$120,000 is requested in 1962 for continuation of this project.

It is recommended that \$120,000 be made available in 1962 from current revenues.

Miscellaneous New Extensions

\$150,000 is requested in 1962 for extension of outside plant facilities to new service areas.

It is recommended that \$150,000 be made available in 1962 from current revenues.

1963

Substation Construction

\$100,000 is requested in 1963 for substation construction as required by load distribution.

It is recommended that \$100,000 be made available in 1963 from current revenues.

Overhead Line Reconstruction

\$80,000 is requested in 1963 for continuation of this project.

It is recommended that \$80,000 be made available in 1963 from current revenues.

Miscellaneous New Extensions

\$75,000 is requested in 1963 for extension of outside plant facilities to new service areas.

It is recommended that \$75,000 be made available in 1963 from current revenues.

Diesel Generator

\$450,000 is requested in 1963 for installation of an additional 2500 KW diesel generator to meet anticipated demand increases.

It is recommended that \$450,000 be made available in 1963 from the sale of revenue bonds to be amortized in 10 or 20 years.

Telephone Utility

Expansion of the plant and facilities of the City of Anchorage Telephone Department is guided by a master plan developed by the telephone consulting firm of Gustav Hirsch Organization, Inc. The consulting firm also prepares a telephone capital improvement program which is geared to the needs and financial ability of the telephone system.

The following Schedule of Recommended Improvements for 1958 through 1963 is largely based on the recommendations of the Gustav Hirsch Organization, Inc. The recommendations are adopted by the City Planning Commission without modification.

Installation of subscriber telephones and switchboards is paid from depreciation reserves and is not included as a capital improvement program within the scope of this report. It is important to mention, however, that construction of a telephonic fire alarm system along the lines proposed in the Preliminary Plan for Fire Protection for Anchorage is scheduled for 1959 and 1960 from the depreciation reserves. (The alarm system will be furnished as a subscriber service to the City of Anchorage and thus is not construed as a major capital improvement.) The system is proposed to include 250 strategically located call boxes and switchboard facilities in the fire department.

SCHEDULE OF RECOMMENDED IMPROVEMENTS

1958 - 1963

TELEPHONE UTILITY

1958

Outside Plant Construction and Land Acquisition

\$1,335,000 is requested for the two years 1958 and 1959 for acquisition of land for three sub-exchange buildings and for additional outside plant construction throughout the Anchorage area. It is recommended that \$1,335,000 be made available for the two-year period 1958 and 1959 from the sale of authorized revenue bonds.

Construction of Sub-Exchange Buildings

\$195,000 is requested in 1958 for construction of three sub-exchange buildings in the Spenard, Grandview Gardens and Sand Lake Road areas. It is recommended that \$195,000 be made available in 1958 from the sale of authorized revenue bonds.

Purchase of Telephone Instruments

\$205,000 is requested for the three years 1958 through 1960 for the purchase of 7,000 additional dial telephone instruments. It is recommended that \$205,000 be made available for the three-year period 1958 through 1960 from the sale of authorized revenue bonds.

Installation of Central Office Switching Equipment

\$1,305,000 is requested for the two years 1958 and 1959 for the purchase and installation of central office dial switching equipment in four exchange buildings. It is recommended that \$1,305,000 be made available for the two-year period 1958 and 1959 from the sale of authorized revenue bonds.

1960

Outside Plant Construction

\$1,000,000 is requested for the four years 1960 through 1963 for additional outside plant construction throughout the Anchorage area.

It is recommended that \$1,000,000 be made available for the four-year period 1960 through 1963 with \$150,000 from depreciation reserves and \$850,000 from sale of revenue bonds. Bond authority will be required.

Purchase of Telephone Instruments

\$250,000 is requested for the four years 1960 through 1963 for the purchase of additional dial telephone instruments.

It is recommended that \$250,000 be made available for the four-year period 1960 through 1963 with \$100,000 from depreciation reserves and \$150,000 from sale of revenue bonds. Bond authority will be required.

1962

Building Construction

\$250,000 is requested in 1962 for additions to the exchange buildings and construction of permanent headquarters for field operations in cooperation with other City operating departments.

It is recommended that \$250,000 be made available in 1962 from sale of revenue bonds subject to further study of present tentative plans. Bond authority will be required.

Installation of Central Office Switching Equipment

\$750,000 is requested in 1962 for purchase and installation of additional central office dial switching equipment as required.

It is recommended that \$750,000 be made available in 1962 from the sale of revenue bonds. Bond authority will be required.

Water Utility

Immediate extension of the water supply is needed to various parts of the City. Further investigations are also necessary to insure the City an adequate water supply in the future.

Like the General Fund, the Water Utility is plagued by lack of financial resources to fulfill water supply needs. The Water Utility is hampered by the fact that under Territorial law, improvement districts cannot be created so that construction of water lines can be assessed to the benefiting properties. Cost can only be amortized by charging a payment in lieu of assessment to each property owner when he applies for connection to the system. Since existing dwellings utilize wells until the public water supply is extended to them, many property owners feel no need to connect to the public water supply. Most of the cost of a new extension cannot, therefore, be immediately assessed and must be borne out of general revenues of the system. This severely hampers the water utility's ability to extend service as needed.

The entire depreciation reserve of the water utility is used to finance various small extensions and replacements in the distribution system. The depreciation reserve will also be used to make extensions to South Mountain View, the industrial areas and the Chester Creek residential communities undergoing urban renewal.

Available resources during the 1958-1963 Capital Program period will allow construction of only three major projects beyond those planned with depreciation reserve funds.

SCHEDULE OF RECOMMENDED IMPROVEMENTS

1958 - 1963

WATER UTILITY

1960

North Mountain View Water System

\$280,000 is requested in 1960 as the City's share in the cost of this project. An additional \$280,000 will be provided by Alaska Public Works. Work on the project will be carried out in 1958 and 1959. The project is in accordance with the Preliminary Plan for Water.

It is recommended that \$280,000 be made available in 1960 from sale of authorized bonds.

Goose Lake Water System

\$75,000 is requested in 1960 as City's share in the cost of this project. An additional \$75,000 will be provided by Alaska Public Works. Work on the project will be carried out in 1958 and 1959. The system will serve the mental hospital, Methodist College and adjacent areas.

It is recommended that \$75,000 be made available in 1960 from sale of authorized bonds.

1962

Water Treatment Plant

\$1,800,000 is requested in 1962 for this project. The project is in accordance with the Preliminary Plan for Water.

It is recommended that \$1,800,000 be made available from sale of authorized bonds. Debt retirement is to be assisted by \$1.50 per month surcharge per customer as approved by the electorate.

Municipal Port

Preliminary and engineering costs of the proposed Port of Anchorage have been borne by the General Fund as a deferred charge which will be paid back by either (1) sale of authorized bonds or (2) levy of a one mill property tax.

It is proposed that the Port of Anchorage be a self-sustaining proprietary interest of the City of Anchorage in the same manner as the Telephone, Electric and Water Utilities. A separate Schedule of Recommended Improvements is, therefore, presented for the Municipal Port.

Economic feasibility of the proposed port has been assured by an eminent firm of New York economic consultants, Coverdale and Colpitts. Engineering is nearing completion. Construction, however, depends upon the availability of financing at favorable terms.

Anchorage voters have authorized issuance of \$2,000,000 in General Obligation Bonds and \$6,800,000 in Revenue Bonds. The revenue bonds are to be retired by revenues from the port. The general obligation bond authorization carried with it authority to impose additional property taxes to retire these bonds if port revenues are not immediately sufficient. For the purposes of this report, any property tax levy which might be necessary for debt service on the port bonds is considered separately from General Fund property tax levies; thus a tax levy for the port would have no effect upon the General Fund Schedule of Recommended Improvements.

SCHEDULE OF RECOMMENDED IMPROVEMENTS

1958 - 1963

PORT OF ANCHORAGE

\$8,000,000 is requested in 1958 or a subsequent year within the Program period for construction of dock, transit warehouse and related facilities of the Anchorage Municipal Port. The exact year in which the funds will be needed is dependent upon availability of favorable financing.

It is recommended that \$8,000,000 be made available at any time within the Program period (1958-1963) as the need is determined. Funds are to be made available from sale of authorized bonds.

1958-1963

Capital Improvement Program

STATISTICAL APPENDIX

Table 1

GENERAL FUND ESTIMATED REVENUES¹ BY SOURCES
(In Thousands of Dollars)

1958 - 1964

	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Property Taxes & Payment in Lieu	1,440	1,750 ²	1,617	1,700	1,750	1,800	1,950
Service Charges	339	384	396	408	420	432	444
Subventions and Grants	282	320	330	340	350	360	370
Utility Contributions	463	512	561	578	595	612	629
Fines and Penalties	155	160	165	170	175	180	185
All Other	<u>231</u>	<u>239</u>	<u>247</u>	<u>255</u>	<u>263</u>	<u>271</u>	<u>296</u>
TOTAL	2,910	3,365	3,316	3,451	3,553	3,655	3,874

¹Estimates assume no annexation and no proceeds from any recommended capital improvements (such revenues included in Table 3 summary).

²Includes \$200,000 in back taxes from Chugach Electric Association anticipated to be received in 1959.

Table 2

GENERAL FUND ESTIMATED EXPENDITURES¹-- 1958-1964
(In Thousands of Dollars)

	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
General Government	460	480	495	510	525	525	540
Public Safety	986	1,024	1,089	1,122	1,155	1,188	1,221
Highways	292	448	462	476	490	504	518
Sanitation	371	384	396	408	420	432	444
Health	29	32	33	33	34	35	37
Library	60	64	66	68	70	72	74
Recreation	65	66	66	68	70	72	74
Airport	30	32	33	34	35	36	37
Port	112	126	116	119	87	72	56
Miscellaneous	62	80	83	85	87	90	92
Bond Requirements	431	510	457	443	450	438	397
Total General Fund	2,898	3,246	3,296	3,366	3,423	3,464	3,490
Population	31,000	32,000	33,000	34,000	35,000	36,000	37,000

¹Extension of cost of operating existing capital plant and providing all municipal services assuming no annexation and an annual increase in City population as indicated in the table. The table does not reflect the cost of recommended improvements (See Table 3).

Table 3

GENERAL FUND

ANNUAL COST OF RECOMMENDED PROJECTS¹ COMPARED TO AVAILABLE RESOURCES
(In Thousands of Dollars)

	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>
Excess of Revenues Over Expenditures ²	12	119	20	85	130	191
Annual Cost of 1958 Project Recommendations	112	8	8	8	8	8
Annual Cost of 1959 Project Recommendations		10	10	10	9	9
Annual Cost of 1960 Project Recommendations			7	16	12	1
Annual Cost of 1961 Project Recommendations				24	34	32
Annual Cost of 1962 Project Recommendations					75	164
Annual Cost of 1963 Project Recommendations						21
Annual Balance	-100	1	-4	23	15	-29

¹Based on total project cost and annual amortization and operating costs as reported by the department requesting the project.

²Compiled from expenditure and revenue estimates reported in Tables 1 and 2.

Table 4

ELECTRIC UTILITY

ANNUAL COST OF RECOMMENDED PROJECTS¹ COMPARED TO AVAILABLE RESOURCES
(In Thousands of Dollars)

	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>
Excess of Revenues Over Expenditures	290	338	398	455	517	586
Annual Cost of 1958 Project Recommendations	287	-	-	-	-	-
Annual Cost of 1959 Project Recommendations		324	82	105	103	102
Annual Cost of 1960 Project Recommendations			297	-	-	-
Annual Cost of 1961 Project Recommendations				324	49	48
Annual Cost of 1962 Project Recommendations					311	-
Annual Cost of 1963 Project Recommendations						320
Annual Balance	3	17	36	62	116	232

¹Based on annual operating costs and revenues plus total project cost as reported by the Superintendent of the Municipal Light and Power Department.

Table 5

WATER UTILITY

ANNUAL COST OF RECOMMENDED PROJECTS¹ COMPARED TO AVAILABLE RESOURCES
(In Thousands of Dollars)

	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>
Excess of Revenues Over Expenditures	0	0	25	56	199 ²	211 ²
Annual Cost of 1958 Project Recommendations	-	-	-	-	-	-
Annual Cost of 1959 Project Recommendations	-	-	-	-	-	-
Annual Cost of 1960 Project Recommendations			48	57	57	57
Annual Cost of 1961 Project Recommendations				-	-	-
Annual Cost of 1962 Project Recommendations					142	154
Annual Cost of 1963 Project Recommendations						-
Annual Balance	0	0	-23 ³	-1 ³	0	0

¹Based on annual operating costs and revenues plus total project cost as reported by the City Engineer.

²Includes authorized \$1.50 per month surcharge for treatment facilities.

³Deficits to be paid from depreciation reserve.

Table 6

LEGAL DEBT LIMIT

General Obligation Debt Limit (10% assessed valuation)	\$10,720,000
Less General Obligation Bonds	
Outstanding 1-1-58	\$8,753,114
Credit Redemption Reserve 1-1-58.	<u>281,793</u>
	<u>8,471,321</u>
<u>Unused Borrowing Margin</u>	\$ 2,248,679

Note:

General Obligation Bonded Indebtedness recommended in the 1958-1963 Capital Improvement Program falls well within the Borrowing Margin which will prevail during the Program period.