



CITY OF WASILLA

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INFORMATION MEMORANDUM NO. 91-07

TO: Council

FROM: Mayor Stein

DATE: May 8, 1991

The Mat-Su Regional Economic Development Corporation is working with the Mat-Su School District to locate a new central office facility. MSREDC is working on a financing plan that would use municipal revenue bonds. Lease fees from the School District would be pledged to pay the debt.

Specifically the School District is looking at the 49,000 square foot "Radon" Building. The building is a condominium. 41 units are owned by the FDIC, 4 units by the State Public Employees Retirement System, 1 by Boyer, Timm & Peters and 1 with a leasehold by Dr. Harren. MSREDC has information that all owners would be willing to sell out to allow the school district to use the building. Purchase price of the building would be about \$1.5 million.

In addition to the building, four adjoining lots would be purchased by MSREDC for their development of a business development center. Three of those lots are owned by FDIC and one by Radon Company. Land costs are about \$450,000.

Total project cost would be about \$2.0 million.


If the School District commits to lease the Radon Building at about 65¢ per square foot per month, adequate revenue is expected to pay a 20-year \$2.0 million bond.

MSREDC wishes to work with the City to finance acquisition of the real estate. The concept is to have the City issue tax exempt revenue bonds and use the building lease payments to pay the debt.

MSREDC Executive Director Dan Slaby, School Superintendent Ell Sorenson and Mayor John Stein have been considering the project.

The Council has, in the past, indicated their interest to use revenue bonds to finance State Trooper facilities. This similar project would utilize a largely vacant building and bring a hundred school employees to work in Wasilla.

The MSREDC will develop a more concise proposal for Council review on May 27. I hope the Council will consider this concept and act to encourage the School District to locate in Wasilla.



John C. Stein, Mayor