SENATE CS FOR CS FOR HOUSE BILL NO. 466(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/23/96
Referred: Rules

Sponsor(s): REPRESENTATIVES MOSES, Mulder

A BILL

FOR AN ACT ENTITLED

"An Act establishing the Adak Reuse Authority."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 30 is amended by adding a new chapter to read:

   CHAPTER 17. ADAK REUSE AUTHORITY.

   ARTICLE 1. ESTABLISHMENT.

   Sec. 30.17.010. CREATION OF AUTHORITY. There is created the Adak Reuse Authority. The authority is a public corporation of the state and a body corporate and is an instrumentality of the Department of Commerce and Economic Development, but with separate and independent legal existence.

   Sec. 30.17.020. MEMBERSHIP OF AUTHORITY. (a) The membership of the authority consists of

   (1) the commissioner of commerce and economic development;

   (2) two other persons selected by the governor who serve as the heads of principal departments of the executive branch of state government; and

   (3) four public members appointed by the governor, two of whom must
be residents of the area that is within the boundaries of the Aleut Corporation, a Native regional corporation established under 43 U.S.C. 1606 (Alaska Native Claims Settlement Act).

(b) If a member described in (a)(1) or (2) of this section is unable to attend a meeting of the authority, the member may, by an instrument in writing filed with the authority, designate a deputy or assistant to act in the member’s place as a member at the meeting. For purposes of this chapter, the designee is a member of the authority at the meeting.

(c) Members of the authority described in (a)(2) and (3) of this section serve two-year terms but serve at the pleasure of the governor.

(d) If a vacancy occurs in the membership of the authority, the governor shall immediately appoint a member for the unexpired portion of the term.

Sec. 30.17.030. CHAIR AND VICE-CHAIR. The members of the authority shall elect a chair from among themselves. A vice-chair may be elected by the authority from among its other members. The vice-chair presides over all meetings in the absence of the chair and has other duties that the authority may prescribe.

Sec. 30.17.040. MEETINGS, COMPENSATION, AND EMPLOYEES. (a) A majority of the members of the authority constitutes a quorum for the transaction of business or the exercise of a power or function at a meeting of the authority. Action may be taken and motions and resolutions may be adopted by the authority only upon an affirmative vote of a majority of the full membership of the authority. The authority may meet and transact business by electronic media if (1) public notice of the time and locations where the meeting will be held by electronic media has been given in the same manner as if the meeting were held in a single location; (2) participants and members of the public in attendance can hear and have the same right to participate in the meeting as if the meeting were conducted in person; and (3) copies of pertinent reference materials, statutes, regulations, and audio-visual materials are reasonably available to participants and to the public. A meeting by electronic media as provided in this subsection has the same legal effect as a meeting in person.

(b) The public members of the authority are entitled to $100 compensation for each day spent on official business of the authority and may be reimbursed by the
authority for actual and necessary expenses at the same rate paid to members of state boards under AS 39.20.180.

(c) The authority may not hire employees but may contract with individuals or entities to serve in capacities it considers advisable, including service as an executive director, executive secretary, professional advisor, legal counsel, technical expert, agent, and in other positions. A contractor hired under this subsection is not a state employee for any purpose. A contract under this subsection may not exceed two years' duration.

(d) The authority shall keep minutes of each meeting and send a certified copy to the governor and to the Legislative Budget and Audit Committee.

ARTICLE 2. PURPOSE AND GENERAL POWERS.

Sec. 30.17.100. PURPOSE OF THE AUTHORITY. The purpose of the authority is to develop and implement a comprehensive reuse and redevelopment plan for the territory encompassed by the Adak Naval Air Facility in a manner that will attract business, create jobs, and advance the general prosperity and economic welfare of the people of the state by

(1) administering in a manner consistent with the purpose of the authority the assets transferred to the authority by the federal government, including facilities and other real or personal property, located at the Adak Naval Air Facility;

(2) entering into necessary agreements with the federal government for operation of the facilities comprising the Adak Naval Air Facility;

(3) operating or contracting with others to operate enterprises and other facilities located at the Adak Naval Air Facility; and

(4) cooperating and acting in conjunction with other organizations, public and private, the objects of which are the promotion and advancement of economic use of the facilities located at the Adak Naval Air Facility.

Sec. 30.17.110. POWERS OF THE AUTHORITY. In furtherance of its corporate purposes, the authority may, in addition to other powers that it may have by law,

(1) sue and be sued;

(2) have a seal and alter the seal at its pleasure;
(3) adopt and amend bylaws for its organization and internal management;

(4) adopt regulations governing the exercise of its corporate powers;

(5) subject to AS 30.17.130(c), accept title to, or other interest in, assets transferred to the authority by the federal government, including facilities and other real or personal property, located at the Adak Naval Air Facility;

(6) lease to others a project acquired by it for the rentals and upon the terms and conditions the authority may consider advisable, including, without limitation, provisions for options to purchase or renew;

(7) issue and secure the payment of bonds, including revenue bonds; provide for the rights of holders of the bonds; and purchase, hold, and dispose of bonds;

(8) sell, by installment sale or otherwise, exchange, donate, convey, or encumber in any manner by mortgage or by creation of any other security interest, real or personal property owned by it, or in which it has an interest, including a project, when, in the judgment of the authority, the action is in furtherance of its corporate purposes;

(9) accept gifts, grants, or loans from, and enter into contracts or other transactions regarding them with, a federal agency or an agency or instrumentality of the state, a municipality, a private organization, or other source;

(10) deposit or invest its funds, subject to agreements with bondholders;

(11) acquire, manage, and operate projects as the authority considers necessary or appropriate to serve a public purpose;

(12) enter into contracts or other transactions with a federal agency, with an agency or instrumentality of the state or of a municipality, or with a private organization or other entity consistent with the exercise of any power under this chapter;

(13) charge fees or other forms of remuneration for the use or possession of the projects described in (11) of this section in accordance with the agreements described in (12) of this section, other agreements pertaining to the projects, covenants, or representations made in bond documents pertaining to the
projects, or regulations of the authority pertaining to the projects.

Sec. 30.17.120. ADMINISTRATIVE PROCEDURE. The provisions of the
Administrative Procedure Act regarding the adoption of regulations under
AS 44.62.040 - 44.62.320 apply to the authority.

Sec. 30.17.130. LIMITATION ON POWERS. (a) The authority has only the
powers expressly granted in this chapter, reasonably implied from this chapter, or
reasonably necessary or convenient to carry out its corporate purposes and to exercise
the powers expressly granted in or reasonably implied from this chapter.

(b) The authority does not have powers of

(1) eminent domain;
(2) taxation;
(3) land use planning;
(4) zoning;
(5) permitting; or
(6) other similar governmental powers.

(c) The authority may not accept transfer by the federal government of title
to, an interest in, control over, or responsibility for a facility or other real or personal
property located at the Adak Naval Air Facility unless sufficient federal or other
money is available to the authority to manage the property or operate the facility at a
minimal level for two years after the date of the transfer. The director of the office
of management and budget shall determine whether sufficient money is available to
the authority with respect to each proposed transfer subject to this subsection, and
approve or disapprove the proposed transfer.

(d) Notwithstanding other provisions of this chapter, the authority may not
enter into a trust indenture or contract that has the effect of precluding the transfer of
the assets and liabilities of the authority to a successor.

ARTICLE 3. PROJECTS; BONDS.

Sec. 30.17.200. CONSIDERATION OF PROJECTS TO BE FINANCED. (a)
Before issuing bonds for a project under this chapter, the authority must find, on the
basis of all information reasonably available to it, that the

(1) project and its development under this chapter will be economically
advantageous to the state and the general public welfare and will contribute to the economic growth of the state;

(2) project is financially sound and can be expected to produce revenue adequate to repay the bonds with which it is financed; and

(3) scope of the project is sufficient to provide a reasonable expectation of a benefit to the region and the economy of the state.

(b) The authority shall give fair and reasonable consideration to a project presented to it for financing. When the authority determines whether to finance or assist in the financing of a project, the authority shall state the reasons for its determination in a written resolution upon request by a person who presented the project to the authority or a person who presented opposition to the project. The authority shall base its reasons on the information presented to it concerning the project and on other information considered appropriate by the authority.

(c) The authority may not issue bonds to finance or assist in financing a project unless the authority has received legislative approval to do so for a specified project.

Sec. 30.17.210. BONDS OF THE AUTHORITY. (a) Subject to the provisions of AS 30.17.200, the authority may borrow money and may issue revenue bonds, including bonds on which the principal and interest are payable

(1) exclusively from the income and receipts or other money derived from the project financed with the proceeds of the bonds;

(2) exclusively from the income and receipts or other money derived from designated projects whether or not they are financed in whole or in part with the proceeds of the bonds; or

(3) from the income and receipts or assets generally, or a designated part or parts of them, of the authority or of any other person.

(b) Bonds issued under this chapter shall be authorized by resolution of the authority, and shall be dated and shall mature as the resolution may provide, except that a bond may not mature more than 40 years from the date of its issuance. The bonds shall bear interest at the rate or rates, be in the denominations, be in the form, either coupon or registered, carry the registration privileges, be executed in the manner,
be payable in the medium of payment, at the place or places, and be subject to the
terms of redemption that the resolution or a subsequent resolution may provide.

(c) Bonds issued under this chapter, regardless of form or character, shall be
negotiable instruments for the purposes of the Uniform Commercial Code.

(d) Bonds issued under this chapter may be sold at public or private sale in the
manner, for the price or prices, and at the time or times that the authority may
determine.

(e) The superior court shall have jurisdiction to hear and determine suits,
actions, or proceedings relating to the authority, including suits, actions, or proceedings
brought to foreclose or otherwise enforce a mortgage, pledge, assignment, or security
interest or brought by or for the benefit or security of a holder of its bonds or by a
trustee for or other representative of the holders.

(f) Before issuing bonds for a project under this chapter, the authority shall
submit to the state bond committee a description of the bond issue and an independent
economic feasibility analysis of the project and expected revenue. This information
may be contained in a preliminary prospectus, offering circular, or official statement
relating to the bond issue. Bonds may not be issued under this chapter unless the state
bond committee finds, based upon the information submitted by the authority under
this subsection and other information that is reasonably available to the committee, that
the project revenue can be reasonably expected to be adequate for payment of the
principal and interest on the bonds to be issued if the bonds are to be secured by
project revenue alone, and in any event that issuance of the bonds by the authority
would not be expected to adversely affect the ability of the state or its political
subdivisions to market bonds.

Sec. 30.17.220. TRUST INDENTURES AND TRUST AGREEMENTS. In
the discretion of the authority, an issue of bonds may be secured by a trust indenture
or trust agreement between the authority and a corporate trustee, which may be a trust
company, bank, or national banking association, with corporate trust powers, located
inside or outside the state, or by a secured loan agreement or other instrument or under
a resolution giving powers to a corporate trustee, after this in this section referred to
as "trust agreement," by means of which the authority may
(1) make and enter into the covenants and agreements with the trustee or the holders of the bonds that the authority determines necessary or desirable, including, without limitation, covenants, provisions, limitations, and agreements as to
(A) the application, investment, deposit, use, and disposition of the proceeds of the bonds of the authority or of money or other property of the authority or in which it has an interest;
(B) the fixing and collection of rents or other consideration for, and the other terms to be incorporated in, an agreement with respect to a project;
(C) the assignment by the authority of its rights in a mortgage or other security interest created with respect to a project to a trustee for benefit of bondholders;
(D) the terms and conditions upon which additional bonds of the authority may be issued;
(E) the vesting in a trustee of rights, powers, duties, funds, or property in trust for the benefit of bondholders, including, without limitation, the right to enforce payment, performance, and all other rights of the authority or of the bondholders under a lease, contract of sale, mortgage, security agreement, or trust agreement with respect to a project by appropriate judicial proceeding or by taking possession of by agent or otherwise and operating a project and collecting rents or other consideration and applying the same in accordance with the trust agreement;
(2) pledge, mortgage, or assign money, leases, agreements, property, or other assets of the authority either presently in hand or to be received in the future, or both; and
(3) provide for other matters that affect the security or protection of the bonds.

Sec. 30.17.230. VALIDITY OF PLEDGE. (a) It is the intent of the legislature that a pledge made in respect of bonds issued under this chapter is perfected, valid, and binding from the time the pledge is made; that the money or property so pledged and thereafter received by the authority is immediately subject to
the lien of the pledge without physical delivery or further act; and that the lien of the pledge is valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the authority whether or not the parties have notice. Neither the resolution, trust agreement, nor any other instrument by which a pledge is created need be recorded or filed under the provisions of the Uniform Commercial Code to be perfected or to be valid, binding, or effective against the parties.

(b) This section does not affect title to or conveyances of real property, and does not limit the applicability of AS 40.17.080.

Sec. 30.17.240. NONLIABILITY ON BONDS. (a) Neither the members of the authority nor a person executing the bonds are liable personally on the bonds issued by the authority or are subject to personal liability or accountability by reason of the issuance of the bonds.

(b) The bonds issued by the authority do not constitute an indebtedness or other liability of the state or of a political subdivision of the state, but shall be payable solely from the income and receipts or other funds or property of the authority. The authority may not pledge the faith or credit of the state or of a political subdivision of the state, except the authority, to the payment of a bond, and the issuance of a bond by the authority does not directly, indirectly, or contingently obligate the state or a political subdivision of the state to apply money from, levy, or pledge any form of taxation to the payment of the bond.

(c) The authority shall print the language of (b) of this section in substantial form on the face of all bonds issued and in any offering circular, or statement issued in connection with the bonds.

Sec. 30.17.250. PLEDGE OF THE STATE. The state pledges to and agrees with the holders of bonds issued under this chapter and with the federal agency that loans or contributes funds in respect to a project, that the state will not limit or alter the rights and powers vested in the authority by this chapter to fulfill the terms of a contract made by the authority with the holders or federal agency, or in any way impair the rights and remedies of the holders until the bonds, together with the interest on them with interest on unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of the holders, are fully met.
and discharged. The authority may include this pledge and agreement of the state, insofar as it refers to holders of bonds of the authority, in a contract with the holders, and insofar as it relates to a federal agency, in a contract with the federal agency.

Sec. 30.17.260. EXEMPTION FROM TAXATION. (a) The real and personal property of the authority and its assets, income, and receipts are declared to be the property of a political subdivision of the state and are exempt from taxes and special assessments of the state or a political subdivision of the state. Bonds of the authority are declared to be issued by a political subdivision of the state and for an essential public and governmental purpose and to be a public instrumentality, and the bonds, the interest on them, the income from them, and the transfer of the bonds, and all assets, income, and receipts pledged to pay or secure the payment of the bonds or interest on them shall at all times be exempt from taxation by or under the authority of the state, except for inheritance and estate taxes and taxes on transfers by or in contemplation of death.

(b) This section does not affect or limit an exemption from license fees, property taxes, or excise, income, or other taxes, provided under any other law, nor does it create a tax exemption with respect to the interest of any business enterprise or other person, other than the authority, in any property, assets, income, receipts, project, or lease whether or not financed under this chapter.

Sec. 30.17.270. BONDS LEGAL INVESTMENTS FOR FIDUCIARIES. The bonds of the authority are securities in which public officers and bodies of the state; municipalities and municipal subdivisions; insurance companies and associations and other persons carrying on an insurance business; banks, bankers, trust companies, savings banks, savings associations, including savings and loan associations and building and loan associations, investment companies, and other persons carrying on banking business; administrators, guardians, executors, trustees, and other fiduciaries; and other persons who are now or may afterward be authorized to invest in bonds or other obligations of the state, may properly and legally invest money, including capital in their control or belonging to them. Notwithstanding any other provisions of law, the bonds of the authority are also securities that may be deposited with and may be received by public officers and bodies of the state and municipalities and municipal
subdivisions for any purpose for which the deposit of bonds or other obligations of the state is now or may afterward be authorized.

Sec. 30.17.280. ENTERPRISE DEVELOPMENT ACCOUNT. (a) The enterprise development account is established in the authority. The enterprise development account is a trust fund for the uses and purposes of this chapter. The enterprise development account consists of money or assets appropriated or transferred to the authority and other money or assets deposited in it by the authority.

(b) The authority may establish in the enterprise development account the accounts it considers appropriate.

(c) Money and other assets of the enterprise development account may be used to secure bonds of the authority issued to finance the purchase of loans for projects or may be used to purchase participation in the loans for projects.

(d) A loan participation purchased by the authority with assets of the enterprise development account or with proceeds of bonds secured by assets of the enterprise development account

   (1) may not be purchased unless

       (A) the project applicant is not, or, if the applicant is not a single proprietorship, all members of the business enterprise or enterprises constituting the project applicant are not, in default on another loan made by the state or by a public corporation of the state;

       (B) the project applicant has, or, if the applicant is not a single proprietorship, all members of the business enterprise or enterprises constituting the project applicant have, paid all taxes due to the state, has satisfied financial requirements for state tax cases that are under appeal, and is current on all payment schedules relating to state taxes or settlement of tax disputes with the state; and

       (C) at least 20 percent of the principal amount of the loan is retained by the loan originator;

   (2) may not be purchased if the loan to be purchased exceeds the cost of the project or 75 percent of the appraised value of the project, whichever is less, unless the amount of the loan in excess of this limit is federally insured or guaranteed
or is insured by a qualified mortgage insurance company;

(3) may not be purchased if the participation in the loan to be purchased is for a term longer than three-quarters of the authority’s estimate of the life of the project or 25 years from the date the loan is made, whichever is earlier; however, in the case of a loan participation for a power transmission intertie, the term may not be longer than 50 years from the date the loan is made;

(4) may be made only if the participation in the loan to be purchased contains amortization provisions; the amortization provisions

(A) must be complete and satisfactory to the authority and require periodic payments by the borrower;

(B) may allow the loan originator to amortize the portion of the loan retained by the loan originator using a shorter amortization schedule than the amortization schedule for the portion of the loan held by the authority if

(i) in the authority’s opinion, the project financed can support the increased debt service; and

(ii) the accelerated amortization schedule is required to induce the originator to make the loan;

(5) may be made only if the participation in the loan to be purchased is in the form and contains the terms and provisions with respect to insurance, repairs, alterations, payment of taxes and assessments, default reserves, delinquency charges, default remedies, acceleration of maturity, secondary liens, and other matters the authority prescribes; and

(6) may be made only if the participation in the loan to be purchased is secured as to repayment by a mortgage or other security instrument in the manner the authority determines is feasible to assure timely repayment under a loan agreement entered into with the borrower.

(e) The authority may adopt regulations for the administration of the enterprise development account including provisions for fees and agreements relating to application, loan commitment, servicing, and origination of loans by other lenders.

(f) The authority may enter into agreements as to the use of the money in the enterprise development account including trust or custody arrangements with banks or
trust companies. It may also pledge, assign, or grant the agreement, interests under
an agreement, or interests in the enterprise development account as may be necessary
or appropriate to provide for payment and security for bonds of the authority issued
to finance the purchase by the authority of loans for projects.

(g) Notwithstanding any other provision of this section, the authority may
waive or modify the requirements of this section as it considers appropriate and
prudent in order to finance a project if the authority intends to own the project or in
order to finance a power transmission intertie project.

(h) The provisions of this section apply only with respect to a loan
participation purchased by the authority for projects under this chapter.

ARTICLE 4. MISCELLANEOUS PROVISIONS.

Sec. 30.17.300. AUDIT. The legislative auditor shall audit or shall cause to
have audited annually the financial records of the authority. The legislative auditor
may prescribe the form and content of the financial records of the authority and shall
have access to these records at reasonable times.

Sec. 30.17.310. EQUAL USE AND ACCESS. If the authority owns, leases,
or otherwise operates or controls, or participates in the financing of, a facility, the
authority shall, to the maximum extent possible, provide for equal rights of access to
and use of the facility by members of the public and other persons or entities upon
terms and conditions that are fair and reasonable. However, this section does not
prevent the authority from establishing fair and reasonable limitations on use of or
access to a facility to the extent the limitations are necessary in connection with the
nature of the facility or the demand for use of or access to the facility. This section
applies to the establishment of rates and rate structures as well as all other factors,
terms, and conditions relating to the use of or access to the facility, including without
limitation the design and location of the facility. The members of the authority shall
make a written finding concerning compliance of the facility with this section. A
written finding signed by a majority of the authority members complies with the
provisions of this section and shall constitute a conclusive presumption of compliance.

Sec. 30.17.320. SUCCESSION. The authority is dissolved one year after the
date of incorporation of a municipality, other than a second class city, that has an area
coterminal with or inclusive of the area formerly encompassed by the Adak Naval
Air Facility. Upon dissolution of the authority, the municipality succeeds to the assets
and liabilities of the authority and succeeds to the rights, powers, and duties of the
authority under contracts to which the authority is a party on the date of dissolution.
Except for this section, this chapter is not applicable to a municipality that succeeds
the authority.

Sec. 30.17.330. PURCHASE OF PROJECT AND LEASES. (a) This chapter
does not prevent the inclusion in a lease or other agreement relating to a project of a
provision granting the right to purchase the project, or to renew or extend the lease or
agreement, upon the terms and conditions that may be provided for in the lease or
agreement.

(b) A lease with respect to a project may provide for two or more lessees with
the legal relationship between themselves and the authority that the authority may
approve, including provisions to the effect that the obligations of the lessees under the
lease for payment of rental or otherwise between themselves and the authority are
several, joint, or joint and several and that the lessees lease the project as
tenants-in-common, or otherwise.

Sec. 30.17.340. CONFLICTS OF INTEREST. (a) A member of the authority
may not vote on a matter relating to a lease or contract entered into or to be entered into
by the authority under this chapter if the member is a party to the lease or contract or
has a direct ownership or equity interest in a firm, partnership, corporation, or association
that may be a party to the contract or lease. A matter relating to a lease or contract that
is approved by a majority of the members who are not barred from voting under this
section is a valid action of the authority for all purposes.

(b) Members of the authority are subject to AS 39.52 (Alaska Executive Branch
Ethics Act).

Sec. 30.17.350. OPERATION OF CERTAIN STATUTES EXCEPTED. (a) The
authority may not be considered to be or constitute (1) a political subdivision of the state
as the term is used in AS 37.10.085, (2) a municipal corporation or political subdivision
of the state as the terms are used in AS 29, or (3) except as provided in AS 30.17.360,
a state agency as the term is used in AS 37, but for all other purposes the authority
constitutes a political subdivision and an instrumentality of the state as provided in this
chapter.

(b) The funds, income, or receipts of the authority may not be considered to be or constitute money of the state, nor may real property in which the authority has an interest be considered land owned in fee by the state or to which the state may become entitled or in any way land belonging to the state, or state land referred to in art. VIII, Constitution of the State of Alaska.

Sec. 30.17.360. COMPLIANCE WITH EXECUTIVE BUDGET ACT; AUTHORITY FINANCES. (a) The operating budget of the authority is subject to AS 37.07 (Executive Budget Act).

(b) To further ensure effective budgetary decision making by the legislature, the authority shall

(1) annually review the authority’s assets to determine whether assets of the authority exceed an amount required to fulfill the purposes of the authority as defined in this chapter; in making its review, the members of the authority shall determine whether, and to what extent, assets in excess of the amount required to fulfill the purposes of the authority during at least the next fiscal year are available without

(A) breaching an agreement entered into by the authority;

(B) materially impairing the operations or financial integrity of the authority; or

(C) materially affecting the ability of the authority to fulfill the authority’s purposes; and

(2) present to the legislature by January 10 of each year a complete accounting of all assets of the authority and a report of the review and determination made under (1) of this subsection; the accounting shall be audited by the auditor who conducts the audit required by AS 30.17.300, including income earned on assets of the authority during that period.

Sec. 30.17.370. REPORTS AND PUBLICATIONS. By January 10 of each year, the authority shall publish a report for distribution to the governor, legislature, and the public. The authority shall notify the legislature that the report is available. The report shall be written in easily understandable language. The report must include a financial statement audited by an independent outside auditor, a statement of the authority’s investments under this chapter, including an appraisal of the investments at
market value, a comparison of the authority’s performance with the goals of the authority, and other information the members of the authority believe would be of interest to the governor, the legislature, and the public. The annual income statement and balance sheet of the authority shall be published in at least one newspaper circulating in each judicial district. The authority may also publish other reports it considers desirable to carry out its purposes.

ARTICLE 5. GENERAL PROVISIONS.

Sec. 30.17.900. DEFINITIONS. In this chapter,

(1) "authority" means the Adak Reuse Authority created by this chapter;

(2) “bonds” means bonds or other obligations issued under this chapter;

(3) "business enterprise" means a single proprietorship, cooperative, corporation, firm, partnership, or other association of persons organized in any manner, for any credit worthy business purpose;

(4) "facility" means real property, whether above or below mean high water, or an interest in it, and the buildings, improvements, and structures constructed or to be constructed on or in it, and may include fixtures, machinery, and equipment on it or in it, and tangible personal property, regardless of whether the tangible personal property is attached to or connected with real property, if the owner has agreed not to remove the tangible personal property permanently from the state for the period the authority sets; "facility" does not include work in process or stock in trade;

(5) "federal agency" means the United States and any officer, department, agency or instrumentality of the United States;

(6) "lease" includes, when used as a noun, an interest in, or when used as a verb, the transfer of an interest in, property less than fee simple title, including, when used as a noun, agreements to use or occupy property;

(7) “person” includes a corporation, company, partnership, firm, association, organization, business trust, society, state or agency or subdivision of the state, municipality of the state, a resource development authority, as well as a natural person;

(8) "project" means

(A) a facility used or intended for use in connection with making, processing, preparing, transporting, or producing goods, products, or substances
of any kind or nature or in connection with developing or using a natural
resource, or extracting, smelting, transporting, converting, assembling, or
producing minerals, raw materials, chemicals, compounds, alloys, fibers,
commodities and materials, products, or substances of any kind or nature;

  (B) a facility used or intended for use in connection with a
business enterprise;

  (C) commercial activity by a small enterprise;

  (D) a facility demonstrating technological advances of new
methods and procedures and prototype commercial applications for the
exploration, development, production, transportation, conversion, and use of
energy resources;

  (E) infrastructure for a new tourism destination facility or for the
expansion of a tourism destination facility;

  (F) a facility, other than a facility described in (D) of this
paragraph, for the generation, transmission, development, transportation,
conversion, or use of energy resources;

(9) "project applicant" means a business enterprise or enterprises
proposing to

  (A) use or occupy a project; or

  (B) agree to permit others to use or occupy a project;

(10) "real property" means land and rights and interests in land, including
interests less than full title such as easements, uses, leases, and licenses.

* Sec. 2. INITIAL TERMS. Notwithstanding AS 30.17.020, enacted in sec. 1 of this Act,
the initial term of one member appointed under (a)(2) of that section, and the initial terms of two
members appointed under (a)(3) of that section, shall be one year.