

AMENDMENT

OFFERED IN THE HOUSE
TO: HB 23

BY REPRESENTATIVE FEIGE

1 Page 1, line 1, following "**An Act**":

2 Insert "**relating to construction of a tollway from the Knik Arm bridge to the**
3 **Parks Highway;**"

4

5 Page 1, following line 5:

6 Insert new bill sections to read:

7 **"* Section 1.** AS 19.75.011 is amended to read:

8 **Sec. 19.75.011. Purpose.** The purpose of the authority created by this chapter
9 is to develop, stimulate, and advance the economic welfare of the state and further the
10 development of public transportation systems in the vicinity of the Upper Cook Inlet
11 with construction of a bridge to span Knik Arm **and a tollway and related**
12 **infrastructure from the bridge to the Parks Highway to** [AND] connect the
13 Municipality of Anchorage and the Matanuska-Susitna Borough.

14 *** Sec. 2.** AS 19.75.111 is amended to read:

15 **Sec. 19.75.111. Powers and duties of the authority.** (a) Except as otherwise
16 explicitly made applicable to the authority, the performance of the authority's duties
17 and the exercise of its powers, including its powers to issue bonds and otherwise incur
18 debt, shall be governed exclusively by this chapter. In furtherance of its purposes, the
19 authority may

20 (1) own, acquire, construct, develop, create, reconstruct, equip,
21 operate, maintain, extend, and improve the Knik Arm bridge, [AND] its appurtenant
22 facilities, **and the tollway access road;**

23 (2) sue and be sued;

- 1 (3) adopt a seal;
- 2 (4) adopt, amend, and repeal regulations under AS 44.62 and establish
3 bylaws;
- 4 (5) make and execute agreements, contracts, and all other instruments
5 with any public or private person, governmental unit or agency, corporation, or other
6 business entity lawfully conducting business in the United States for the exercise of its
7 powers and functions under this chapter and for the financing, design, construction,
8 maintenance, improvement, or operation of facilities, properties, or projects of the
9 authority, including making and executing contracts with any person, firm,
10 corporation, governmental agency, or other entity for the purpose of
- 11 (A) incurring indebtedness, obtaining investments in the
12 authority's projects, acquiring or granting lump sum payments for services in
13 advance or in arrears, grants, and other financing; and
- 14 (B) entering into public-private partnerships or service
15 contracts in any form;
- 16 (6) in its own name acquire, lease, rent, sell, or convey real and
17 personal property;
- 18 (7) issue and refund bonds in accordance with this chapter, in order to
19 pay the cost of the Knik Arm bridge, [AND] its appurtenant facilities, **and the tollway**
20 **access road**; the authority may also secure payment of the bonds as provided in this
21 chapter;
- 22 (8) incur other indebtedness, including lines of credit and indebtedness
23 to the Federal Highway Administration, United States Department of Transportation,
24 under 23 U.S.C. 601 - 610 (Transportation Infrastructure Finance and Innovation Act
25 of 1998), as amended, and secure that indebtedness as provided in this chapter;
- 26 (9) apply for and accept gifts, grants, or loans from a federal agency or
27 an agency or instrumentality of the state, or from a municipality, private organization,
28 or other source, including obtaining title to state, local government, or privately owned
29 land, directly or through a department of the state having jurisdiction of the land;
- 30 (10) fix and collect fees, rents, tolls, rates, or other charges for the use
31 of the Knik Arm bridge, [AND] appurtenant facilities, **and tollway access road**, or for

1 a service developed, operated, or provided by the authority; notwithstanding
2 AS 37.10.050(a), fees, rents, tolls, rates, and other charges fixed and collected under
3 this paragraph may exceed the actual operating cost of the use of the bridge, facility,
4 **tollway access road**, or service;

5 (11) bring civil actions, refer criminal actions to the appropriate
6 authority, and take other actions or enter into agreements with law enforcement and
7 collection agencies to enforce the collection of its fees, rents, tolls, rates, other
8 charges, penalties, and other obligations;

9 (12) pledge, encumber, transfer, or otherwise obligate revenue derived
10 by the authority from the ownership, use, or operation of toll facilities, including fees,
11 rents, tolls, rates, charges, or other revenue of the authority or money that the
12 legislature may appropriate, except a state tax or license, as security for bonds or other
13 indebtedness or agreements of the authority;

14 (13) deposit or invest its funds, subject to agreements with
15 bondholders;

16 (14) procure insurance against any loss in connection with its
17 operation;

18 (15) contract for and engage the services of consultants, experts, and
19 financial and technical advisors that the authority considers necessary for the exercise
20 of its powers and functions under this chapter;

21 (16) apply for, obtain, hold, and use permits, licenses, or approvals
22 from appropriate agencies of the state, the United States, a foreign country, and any
23 other proper agency in the same manner as any other person;

24 (17) perform reconnaissance studies and engineering, survey, and
25 design studies with respect to the Knik Arm bridge, [AND] its appurtenant facilities
26 **and the tollway access road**;

27 (18) exercise powers of eminent domain or file a declaration of taking
28 as necessary for the Knik Arm bridge, [AND] appurtenant facilities, **and tollway**
29 **access road** under AS 09.55.240 - 09.55.460 to acquire land or an interest in land; the
30 authority's exercise of powers under this paragraph may not exceed the permissible
31 exercise of those powers by the state;

1 (19) confer with municipal and other governments, metropolitan
2 planning organizations, and the department, concerning the Knik Arm bridge **or**
3 **tollway access road**;

4 (20) do all acts and things necessary to carry out the powers expressly
5 granted or necessarily implied in this chapter; nothing in this chapter limits the powers
6 of the authority that are expressly granted or necessarily implied.

7 (b) The authority shall

8 (1) prepare an annual report of its operations to include a balance
9 sheet, an income statement, a statement of changes in financial position, a
10 reconciliation of changes in equity accounts, a summary of significant accounting
11 principles, an auditor's report, comments regarding the year's business, and prospects
12 for the next year; the report shall be completed by the third day of each regular session
13 of the legislature, and the authority shall notify the governor, the commissioner of the
14 department, the presiding officers of each house of the legislature, and the Legislative
15 Budget and Audit Committee that the report is available;

16 (2) comply with the provisions of AS 37.07 (Executive Budget Act),
17 except that AS 37.07 does not apply to the activities of the authority that relate to the
18 authority's borrowing of money as provided in this chapter, including the issuing of its
19 obligations or evidence of that borrowing and the repayment of the debt obligation;

20 (3) establish a personnel management system for hiring employees and
21 setting employee-benefit packages;

22 (4) establish procedures, rules, and rates governing per diem and travel
23 expenses of the employees of the authority in substantial conformity to statutes,
24 procedures, rules, and rates applicable to state employees of similar state entities;

25 (5) coordinate the exercise of its powers to plan, design, construct,
26 operate, and maintain the Knik Arm bridge **and tollway access road** with the
27 department, and with the mayors of the Municipality of Anchorage and the
28 Matanuska-Susitna Borough;

29 (6) have the exclusive authority to determine and fix fees, rents, tolls,
30 rates, and other charges, including the tolls for the use of the bridge, [AND]
31 appurtenant facilities, **and tollway access road** and for the use of all other properties

1 under the control of or owned or managed by the authority.

2 * **Sec. 3.** AS 19.75 is amended by adding a new section to read:

3 **Sec. 19.75.112. Conditions required to build Knik Arm bridge.** (a) The
4 authority may not construct the Knik Arm bridge, or enter into a public-private
5 partnership or service contract to construct the Knik Arm bridge unless

6 (1) the authority designs, constructs, and operates, or enters into a
7 public-private partnership or service contract to design, construct, and operate, a
8 tollway from the Knik Arm bridge to the Parks Highway;

9 (2) the authority prepares a financial report showing preliminary costs
10 to design, construct, and operate a tollway from the Knik Arm bridge to the Parks
11 Highway; and

12 (3) the legislature approves by law the financial report prepared under
13 (2) of this subsection.

14 (b) The tollway access road constructed under (a) of this section shall

15 (1) be operated as a limited access toll road;

16 (2) allow for a speed limit at least equal to the speed limit on the
17 bridge; and

18 (3) be designed as a two-lane highway that may be expanded to a four-
19 lane divided highway.

20 (c) The authority may enter into an agreement with the department for use of
21 the rights-of-way necessary for construction of the tollway under (a) of this section.

22 (d) Notwithstanding another provision of this title, the tollway constructed
23 under (a) of this section may not be part of the state highway system."
24

25 Page 1, line 6:

26 Delete "**Section 1**"

27 Insert "**Sec. 4**"

28
29 Renumber the following bill sections accordingly.

30
31 Page 2, following line 23:

1 Insert new bill sections to read:

2 **"* Sec. 7.** AS 19.75.221(a) is amended to read:

3 (a) In the discretion of the authority, an issue of bonds may be secured by a
4 trust indenture or trust agreement between the authority and a corporate trustee, by a
5 secured loan agreement or other instrument, or by a resolution giving powers to a
6 corporate trustee, by means of which the authority may

7 (1) make agreements with the trustee or the holders of the bonds that
8 the authority determines to be necessary or desirable, including agreements as to the

9 (A) application, investment, deposit, use, and disposition of

10 (i) the proceeds of bonds of the authority;

11 (ii) money or other property of the authority; or

12 (iii) money or other property in which the authority has
13 an interest;

14 (B) fixing and collecting of fees, rents, tolls, rates, or other
15 charges;

16 (C) assignment by the authority of its rights in any contract
17 with respect to the Knik Arm bridge **or tollway access road** or in a mortgage
18 or other security interest created with respect to the Knik Arm bridge **or**
19 **tollway access road** to a trustee for the benefit of bondholders;

20 (D) terms and conditions under which the authority may issue
21 additional bonds;

22 (E) vesting in a trustee of rights, powers, duties, money, or
23 property in trust for the benefit of bondholders, including the right to enforce
24 payment, performance, and all other rights of the authority or of the
25 bondholders, under a lease, power of contract, contract of sale, mortgage,
26 security agreement, or trust by injunction or other proceeding or by taking
27 possession by agent or otherwise, and operating the Knik Arm bridge **and**
28 **tollway access road** and collecting rents or other consideration and applying
29 the same in accordance with the trust agreement;

30 (2) pledge, mortgage, or assign money, leases, agreements, property,
31 or other rights or assets of the authority either presently in hand or to be received in

1 the future, or both; and

2 (3) provide for any other matters that affect the security or protection
3 of the bonds.

4 * **Sec. 8.** AS 19.75.221(b) is amended to read:

5 (b) Notwithstanding any other provisions of this chapter, the trust agreement
6 must contain an agreement by the authority that the authority will at all times maintain
7 fees, rents, tolls, rates, or other charges sufficient to

8 (1) pay the costs of operation and maintenance of the Knik Arm
9 bridge, [AND] its appurtenant facilities, **and the tollway access road** and the
10 principal of and interest on bonds issued under the trust agreement as the bonds
11 severally become due and payable;

12 (2) provide for debt service coverage as considered necessary by the
13 authority for the marketing of its bonds; and

14 (3) provide for renewals, replacements, and improvements of the Knik
15 Arm bridge **and tollway access road**, and to maintain reserves required by the terms
16 of the trust agreement."

17
18 Renumber the following bill sections accordingly.

19
20 Page 4, following line 13:

21 Insert a new bill section to read:

22 "* **Sec. 11.** AS 19.75.251 is amended to read:

23 **Sec. 19.75.251. Pledge of the state.** The state pledges to and agrees with the
24 holders of bonds issued under this chapter and with a federal agency that loans or
25 contributes money **with** [IN] respect to the Knik Arm bridge **and tollway access road**
26 that the state will not limit or alter the rights and powers vested in the authority under
27 this chapter to fulfill the terms of a contract made by the authority with the holders or
28 federal agency or in any way impair the rights and remedies of the holders until the
29 bonds, together with the interest on them, with interest on unpaid installments of
30 interest, and all costs and expenses in connection with an action or proceeding by or
31 on behalf of the holders, are fully met and discharged. The authority may include this

1 pledge and agreement of the state, insofar as it refers to holders of bonds of the
2 authority, in a contract with the holders and, insofar as it relates to a federal agency, in
3 a contract with the federal agency."
4

5 Renumber the following bill sections accordingly.
6

7 Page 5, following line 8:

8 Insert a new section to read:

9 **"* Sec. 13.** AS 19.75.291 is amended to read:

10 **Sec. 19.75.291. State appropriations for Knik Arm bridge, [AND]**
11 **appurtenant facilities, and tollway not affected.** This chapter does not prevent the
12 state from making appropriations for or in aid of the acquisition, design, construction,
13 or operation of the Knik Arm bridge, [AND] its appurtenant facilities, **and the tollway**
14 **access road.**"
15

16 Renumber the following bill section accordingly.
17

18 Page 5, line 25:

19 Delete "Crossing"

20 Insert "bridge and tollway access road"