

ALASKA STATE LEGISLATURE

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SB 88 – Sectional Analysis

"An Act authorizing the state bond committee to issue certificates of participation to finance the construction and equipping of residential housing to serve the Anchorage campus of the Alaska Native Medical Center; and authorizing the Department of Administration to enter into a lease-purchase agreement for the benefit of the Alaska Native Tribal Health Consortium."

Section 1. Expresses the intent of the Legislature that:

1. Certificates of Participation (COP) in the amount of \$35,000,000 be issued to construct and equip a residential housing facility and pedestrian foot bridge on the campus of the Alaska Native Medical Center in Anchorage by the state bond committee;
2. The title of the facility will remain with the state until the bonds are repaid then transfer to the Alaska Native Tribal Health Consortium (ANTHC);
3. Design, construction, operations, and maintenance are the responsibility of the ANTHC; and
4. Issuance of the COPs is contingent on a memorandum of agreement between the ANTHC and the State of Alaska and payments on the COP is subject to appropriation.

Section 2.

- a. Authorizes the Department of Administration to enter into a lease-purchase agreement for a residential housing facility and pedestrian bridge to be constructed, equipped and operated by the ANTHC
- b. Authorizes the state bond committee to issue COPs in the aggregate amount of \$35,000,000 for the project and allows investment income on the proceeds to be used for the project. The estimate annual cost is \$2,800,000 and total lease payment for the term of the agreement is \$42,000,000. It includes costs of issuing the COPs in construction costs.
- c. Permits the state bond committee the ability to contract for services necessary in financing the project.

Section 3. Provides that Section 2 satisfies the legislative approval of a lease-purchase agreement required by AS 36.30.085.