

**CS FOR HOUSE BILL NO. 191(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - FIRST SESSION

**BY THE HOUSE FINANCE COMMITTEE**

**Offered: 4/27/01**  
**Referred: Rules**

**Sponsor(s): HOUSE FINANCE COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act authorizing financing for certain public transportation projects; giving notice**  
2 **of and approving the entry into, and the issuance of revenue obligations that provide**  
3 **participation in, lease-financing agreements for those transportation projects; and**  
4 **providing for an effective date."**

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

6 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
7 to read:

8 INTENT. It is the intent of the legislature that the state take full advantage of  
9 innovative financing methods recognized by the Federal Highway Administration. The  
10 legislature intends that the revenue obligations issued under this Act will be repaid from  
11 appropriations of federal money derived from annual apportionments paid to the state by the  
12 Federal Highway Administration. It is the intent of the legislature that interest earnings on the  
13 proceeds of bonds issued under this Act be used for the required state match on the projects  
14 listed in this Act.

1     \* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to  
2 read:

3           TRANSPORTATION PROJECT ALLOCATION. The Department of Transportation  
4 and Public Facilities shall allocate the net proceeds derived from the sale of revenue  
5 obligations authorized in sec. 5 of this Act for construction or acquisition of the following  
6 state transportation projects among those projects as follows, subject to reallocation among  
7 the projects under AS 37.07.080(e):

| 8  | PROJECT  | ALLOCATION   |
|----|--|--------------|
| 9  | (1) Fairbanks: Downtown Street Improvements            | \$ 8,000,000 |
| 10 | (2) Fairbanks: Illinois-Barnette and Bridge            | 18,700,000   |
| 11 | (3) Kotzebue: Ted Stevens Way Reconstruction           | 4,400,000    |
| 12 | (4) Dillingham: Wood River Road Reconstruction         | 3,575,000    |
| 13 | (5) Bethel: Ptarmigan Street Improvements              | 1,480,000    |
| 14 | (6) Nome: Bering Street, Seppala Drive, and Front      | 5,090,000    |
| 15 | Street Rehabilitation and Front Street Safety          |              |
| 16 | and Enhancements                                       |              |
| 17 | (7) Kaltag Area Roads                                  | 910,000      |
| 18 | (8) McGrath Area Roads                                 | 968,000      |
| 19 | (9) Aniak Area Roads                                   | 2,000,000    |
| 20 | (10) Galena Area Roads                                 | 3,315,000    |
| 21 | (11) Williamsport-Pile Bay Road Improvements, Phase I  | 6,000,000    |
| 22 | (12) Deering: Cape Deceit Road Improvements            | 800,000      |
| 23 | (13) Saint Mary's Area Roads                           | 2,050,000    |
| 24 | (14) Fairbanks: Richardson Highway: MP 52              | 11,100,000   |
| 25 | to 361 Rehabilitation                                  |              |
| 26 | (15) Fairbanks: Richardson Highway: North Pole         | 16,100,000   |
| 27 | Area Interchange                                       |              |
| 28 | (16) Fairbanks: Borough-Wide Roads and Trails          | 3,100,000    |
| 29 | (17) Anchorage: A/C Couplet, 6th Avenue to 40th Avenue | 6,250,000    |
| 30 | (18) Anchorage: Bragaw Street - Glenn Highway to       | 625,000      |
| 31 | Debarr Road  |              |

|    |   |            |
|----|---|------------|
| 1  | (19) Anchorage: Lake Otis Parkway - Abbott Road to      | 2,600,000  |
| 2  | O'Malley Road and Debarr Road to Northern               |            |
| 3  | Lights Blvd.  |            |
| 4  | (20) Anchorage: Mountain View Drive - Commercial        | 420,000    |
| 5  | Drive to Glenn Highway                                  |            |
| 6  | (21) Anchorage: 9th Avenue - L Street to Ingra Street   | 700,000    |
| 7  | (22) Anchorage: Northern Lights/Benson Blvds., Forest   | 3,000,000  |
| 8  | Park Drive to Lake Otis Parkway (Couplet)               |            |
| 9  | (23) Anchorage: Old Seward Highway, Huffman             | 2,000,000  |
| 10 | Road to Potter Valley Road                              |            |
| 11 | (24) Anchorage: Spenard Road - McRea to Fireweed Lane   | 1,500,000  |
| 12 | (25) Anchorage: C Street Phase III, Dimond Blvd. to     | 28,750,000 |
| 13 | O'Malley Road, including interchange at O'Malley        |            |
| 14 | Road and a grade separation for the Alaska Railroad     |            |
| 15 | near 68th Avenue and C Street                           |            |
| 16 | (26) Anchorage: Glenn Highway, Gambell Street to        | 58,180,000 |
| 17 | McCarrey Street   |            |
| 18 | (27) Anchorage: Seward Highway at International         | 15,000,000 |
| 19 | Airport Road Grade Separated Crossing                   |            |
| 20 | (28) Anchorage: Seward Highway at 92nd Avenue Grade     | 12,500,000 |
| 21 | Separation and Connection to Old Seward Highway         |            |
| 22 | Abbott Road   |            |
| 23 | (29) Anchorage: Abbott Loop North Extension             | 15,000,000 |
| 24 | (30) Kenai: North Kenai Spur Road MP 22 to 29.7 Repave  | 10,612,000 |
| 25 | (31) Soldotna: East Redoubt Avenue Rehabilitation       | 5,073,000  |
| 26 | (32) Matanuska-Susitna: Glenn Highway MP 34 to 42       | 1,500,000  |
| 27 | Reconstruction - Parks to Old Glenn Highway (Palmer)    |            |
| 28 | (33) Matanuska-Susitna: Glenn Highway State Fairgrounds | 500,000    |
| 29 | Access Improvements                                     |            |
| 30 | (34) Matanuska-Susitna: Seward Meridian Road, Parks     | 7,525,000  |
| 31 | to Seldon Road  |            |

|    |   |            |
|----|---|------------|
| 1  | (35) Matanuska-Susitna: Trunk Road Reconstruction         | 9,150,000  |
| 2  | (36) Palmer: East Eagle Avenue and Gulkana Street Upgrade | 1,200,000  |
| 3  | (37) Wasilla: Roads and Trails                            | 1,120,000  |
| 4  | (38) Matanuska-Susitna: Fairview Loop Path                | 1,310,000  |
| 5  | (39) Matanuska-Susitna: Old Glenn Highway MP 0 to 18.6    | 13,225,000 |
| 6  | Rehabilitation  |            |
| 7  | (40) Palmer-Wasilla Highway Expansion                     | 17,850,000 |
| 8  | (41) Matanuska-Susitna: Petersville Road MP 3 to 14       | 5,400,000  |
| 9  | (42) One Fast Ferry                                       | 35,000,000 |
| 10 | (43) Ketchikan: South Tongass Highway Widening and        | 5,000,000  |
| 11 | Path Extension, Phase I                                   |            |
| 12 | (44) Petersburg: Mitkof Highway Upgrade                   | 550,000    |
| 13 | (45) Juneau: Thane Road Rock Dump to Sheep Creek          | 900,000    |
| 14 | Reconstruction  |            |
| 15 | (46) Juneau: Old Dairy Road Resurfacing and Shoulder      | 700,000    |
| 16 | Widening  |            |
| 17 | (47) Juneau: Glacier Highway Brotherhood Bridge at        | 4,830,000  |
| 18 | Mendenhall River  |            |
| 19 | (48) Juneau: Upgrade Back Loop, Montana Creek and         | 3,700,000  |
| 20 | Skaters Cabin Roads                                       |            |
| 21 | (49) Petersburg: Haugen Drive Upgrade and Path Extension  | 470,000    |
| 22 | (50) Ketchikan: North Tongass Highway Ward Cove to        | 1,900,000  |
| 23 | Whipple Creek Widening/Realign                            |            |
| 24 | (51) Ketchikan Gateway Borough: Road Surface Treatment    | 600,000    |
| 25 | (52) Craig: Port Saint Nicholas Road BST                  | 2,550,000  |
| 26 | (53) Thorne Bay: Shoreline Drive Paving                   | 340,000    |
| 27 | (54) Haines: MP 3.5 to 25.3 Reconstruction - Airport      | 3,000,000  |
| 28 | to Bluffs   |            |
| 29 | (55) Sitka: Sawmill Creek Road Upgrade, Phase I           | 5,500,000  |
| 30 | (56) Kodiak: Chiniak Road Rehabilitation, Phase I         | 6,000,000  |

31 \* **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 DELEGATION OF AUTHORITY FOR LEASE-FINANCING AGREEMENTS. The  
3 Department of Transportation and Public Facilities is delegated the Department of  
4 Administration's authority under AS 36.30.085 to enter into lease-financing agreements in  
5 connection with the issuance of revenue obligations to finance the state transportation projects  
6 described in sec. 2 of this Act.

7 \* **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to  
8 read:

9 LEASE-FINANCING PAYMENTS. (a) The lease payments owed under lease-  
10 financing agreements executed under sec. 3 of this Act are subject to annual appropriation by  
11 the legislature.

12 (b) The legislature intends that federal money in the form of apportionments from the  
13 Federal Highway Administration for federal highway grants will provide enough revenue to  
14 the general fund to make substantially all of the lease payments; however, if that revenue  
15 source is insufficient, the payments may be made from any other valid revenue source, subject  
16 to appropriation.

17 \* **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to  
18 read:

19 NOTICE OF THE ENTRY INTO AND FINANCING OF REVENUE  
20 OBLIGATIONS. (a) Subject to annual appropriation, the Department of Transportation and  
21 Public Facilities is authorized to enter into lease-financing agreements for the issuance of  
22 revenue obligations for the state transportation projects described in sec. 2 of this Act.

23 (b) The state bond committee is authorized to provide for the issuance of revenue  
24 obligations in one or more series in the aggregate principal amount of \$395,450,000 for the  
25 costs of construction of the projects described in sec. 2 of this Act. The principal amount  
26 includes the estimated cost of \$379,618,000 for constructing, acquiring, and equipping the  
27 projects described in sec. 2 of this Act; capitalized interest payments in the total amount of  
28 \$10,881,368; and an amount for the cost of issuing the revenue obligations of \$4,950,632.  
29 The estimated annual amount of rental obligations under the lease-financing agreements is  
30 \$41,000,000. The estimated total lease payments for the full term of the lease-financing  
31 agreements is \$592,600,000.

1 (c) The state bond committee may contract for credit enhancement, underwriting,  
2 credit ratings, bond counsel, financial advisor, printing, and trustee services that the  
3 committee considers necessary in financing the projects described in sec. 2 of this Act.

4 (d) In this section,

5 (1) "costs of construction" includes credit enhancement and underwriting  
6 expenses, rating agency fees, bond counsel fees, financial advisor fees, printing fees, trustee  
7 fees, capitalized interest, and interest earnings used for lease payments; and

8 (2) "revenue obligation" means a certificate of participation in the right to  
9 receive a payment under a lease-financing agreement made to finance the costs of  
10 construction or acquisition of a state transportation project.

11 \* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to  
12 read:

13 NOTICE AND APPROVAL OF AGREEMENTS. Section 5 of this Act constitutes  
14 the notice and approval of lease-financing agreements to finance the transportation projects  
15 described in sec. 2 this Act that is required by AS 36.30.085.

16 \* **Sec. 7.** This Act takes effect July 1, 2001.