

CS FOR HOUSE BILL NO. 191(FIN) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 4/28/01

Offered: 4/27/01

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 15 Street Rehabilitation and Front Street Safety 16 and Enhancements	5,090,000
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 352 25 to 361 Rehabilitation	11,100,000
26 (15) Fairbanks: Richardson Highway: North Pole 27 Area Interchange	16,100,000
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 31 Debarr Road	625,000

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.