

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB 64  
 (H) Publish Date: 1/16/01

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Airport Revenue Bonds BRU: Revenue Operations  
 Component: Treasury Division  
 Sponsor: Rules Committee  
 Requester: Governor Component Number: 121

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel	25.0					
Contractual		15.0	15.0	15.0	15.0	15.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt service			4,870.7	12,687.2	12,683.8	12,678.6
<b>TOTAL OPERATING</b>	<b>25.0</b>	<b>15.0</b>	<b>4,885.7</b>	<b>12,702.2</b>	<b>12,698.8</b>	<b>12,693.6</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	25.0	15.0	15.0	15.0	15.0	15.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
AIAS Revenue Fund			4,870.7	12,687.2	12,683.8	12,678.6
<b>TOTAL</b>	<b>25.0</b>	<b>15.0</b>	<b>4,885.7</b>	<b>12,702.2</b>	<b>12,698.8</b>	<b>12,693.6</b>

Estimate of any current year (FY2001) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This legislation authorizes the State Bond Committee to issue an additional \$147,900,000 in revenue bonds to support the Alaska International Airport System's capital improvement program.

BASE ASSUMPTIONS: Project size of approximately \$118.2 million, 25-year term of bonds. True interest cost of 6.76% (approximately 1.5% above current rates). Two years of capitalized interest (making the interest payments on the bonds with bond proceeds). Debt service reserve funded with bond proceeds.

SOURCES OF CAPITAL: Par amount of bonds \$147.9 million and investment earnings on the bond proceeds during construction of \$5 million (assumption provided by AIAS consultant) for a total of \$152.9 million.

USES OF CAPITAL: Project \$118.2 million. Capitalized interest \$19.5 million. Debt service reserve fund \$12.7 million. Costs associated with issuing the bonds \$2.5 million. Total uses of capital are \$152.9 million.

Using the interest cost of 5.31% that was available in January 2001 annual debt service would be approximately \$1.5 million to \$2 million.

Prepared by: Deven Mitchell, State Debt Manager Phone 465-3750  
 Division: Treasury Division Date/Time 1/10/01, 1 pm  
 Approved by: Larry Persily, Deputy Commissioner Date 01/11/2001  
 Agency: Department of Revenue

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