

CS FOR HOUSE BILL NO. 275(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/28/05

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

PROJECT	ALLOCATION
(1) Anchorage: Glenn Highway congestion	\$ 37,500,000

1	(2) Anchorage: Tudor-Bragaw intersection improvements	9,000,000
2	(3) Copper River Highway rehabilitation	5,000,000
3	(4) Dalton Highway Washington Creek Bridge	7,500,000
4	(5) Fairbanks: Gaffney Road upgrade	6,250,000
5	(6) Fairbanks: Shaw Creek Bridge on Richardson Highway	3,500,000
6	(7) Fairbanks: Cartwright Road extension	3,650,000
7	(8) Kenai Peninsula Borough: Kalifornsky Beach Road	19,000,000
8	rehabilitation	
9	(9) Matanuska-Susitna Borough: Multi-modal alternate	2,000,000
10	Parks Highway and Alaska Railroad corridors	
11	(10) Matanuska-Susitna Borough: Palmer-Wasilla Highway	6,000,000
12	expansion	
13	(11) Richardson Highway passing lane additions	7,500,000
14	mileposts 265 - 341	
15	(12) Prince of Wales: Hollis to Klawock pavement	10,000,000
16	(13) Sitka: Rocky Gutierrez Airport access	3,500,000
17	improvements	
18	(14) Port of Anchorage: Terminal Road relocation	10,000,000
19	and expansion, Ocean Dock Road and Terminal	
20	Road intersection upgrade	
21	(15) Fairbanks: Homestead Road/NPHS Boulevard	3,800,000
22	extension	
23	(16) Parks Highway: Rex railroad grade separated	7,300,000
24	crossing	
25	(17) Kodiak: Otmeloi Way rehabilitation	3,300,000
26	(18) Nome: city streets, phase 2	5,000,000
27	(19) Glenn Highway: Eklutna River Bridge #1230 load	10,000,000
28	capacity increase	
29	(20) Tok Cutoff Highway: Gakona River Bridge #646	5,500,000
30	replacement	
31	(21) Parks Highway: passing and intersection lanes	15,000,000

1	(22) Richardson Highway: MP 2 - 3 combination	3,000,000
2	vehicle turn lanes to Valdez container terminal	
3	(23) Glacier Highway: road extension	10,000,000

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

6 DELEGATION OF AUTHORITY FOR LEASE-FINANCING AGREEMENTS. The
7 Department of Transportation and Public Facilities is delegated the Department of
8 Administration's authority under AS 36.30.085 to enter into lease-financing agreements in
9 connection with the issuance of revenue obligations to finance the state transportation projects
10 described in sec. 1 of this Act.

11 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
12 read:

13 LEASE-FINANCING PAYMENTS. (a) The lease payments owed under lease-
14 financing agreements executed under sec. 2 of this Act are subject to annual appropriation by
15 the legislature.

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

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

23 NOTICE OF THE ENTRY INTO AND FINANCING OF REVENUE
24 OBLIGATIONS. (a) Subject to annual appropriation, the Department of Transportation and
25 Public Facilities is authorized to enter into lease-financing agreements for the issuance of
26 revenue obligations for the state transportation projects described in sec. 1 of this Act.

27 (b) The state bond committee is authorized to provide for the issuance of revenue
28 obligations in one or more series in the aggregate principal amount of \$195,800,000 for the
29 costs of construction of the projects described in sec. 1 of this Act. The principal amount
30 includes the estimated cost of \$193,300,000 for constructing, acquiring, and equipping the
31 projects described in sec. 1 of this Act; and an amount for the cost of issuing the revenue

1 obligations of \$2,500,000. The estimated annual amount of rental obligations under the lease-
2 financing agreements is \$16,860,000. The estimated total lease payments for the full term of
3 the lease-financing agreements is \$269,760,000.

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

7 (d) In this section,

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

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

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

16 NOTICE AND APPROVAL OF AGREEMENTS. Section 4 of this Act constitutes
17 the notice and approval of lease-financing agreements to finance the transportation projects
18 described in sec. 1 of this Act that is required by AS 36.30.085.

19 * **Sec. 6.** This Act takes effect July 1, 2005.