

Introduced: 2/16/78
Referred: Commerce

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 *CS* HOUSE CONCURRENT RESOLUTION NO. 108 *AM*

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 Relating to the Alaska Industrial
6 Development Authority.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS the Alaska Industrial Development Authority was created by the
9 legislature in 1967 for the purpose of promoting, developing and advancing
10 the general prosperity and economic welfare of the people of Alaska, reliev-
11 ing problems of unemployment and creating additional employment by providing
12 a means of financing industrial and manufacturing plant construction, con-
13 version or expansion in the state, including the acquisition of real pro-
14 perty, for lease or sale to business enterprises for industrial or manufac-
15 turing purposes; and

16 WHEREAS the Alaska Industrial Development Authority Act was amended in
17 1977 to include air and water transportation facilities among those projects
18 for which the authority may exercise its powers to incur debt for acquiring
19 or constructing industrial and manufacturing plants and thus provide finan-
20 cial assistance for the establishment, operation and development of these
21 plants on a basis offsetting in whole or in part the construction, marketing
22 or other costs involved in the project; and

23 WHEREAS the governing body of a political subdivision of the state in
24 which a project under the Alaska Industrial Development Authority Act is
25 located may by resolution appoint three persons to serve as members of the
26 authority on all matters concerning the project for which they were appoin-
27 ted, except a project consisting of facilities, services or apparatus for the
28 prevention, limitation or control of air or water pollution, for the disposal
29 of sewage or solid waste or any facility used or intended for use in

1 connection with air or water transportation, or for the local furnishing of
2 electrical energy or gas; and

3 WHEREAS there is pending before the Alaska Industrial Development
4 Authority an application by Wien Air Alaska, Inc. for assistance in issuing a
5 bond issue of \$19,100,000; and

6 WHEREAS Wien Air Alaska, Inc. is presently involved in a labor dispute
7 with certain of its employees; and

8 WHEREAS the state has, both by statute (AS 23.20.380(9)) and regulation
9 adopted under that statute, adopted a position of neutrality in cases invol-
10 ving labor disputes; and

11 WHEREAS it appears that Wien Air Alaska, Inc. intends to use the pro-
12 ceeds from the proposed bond issue for purposes other than those authorized
13 by statute; and

14 WHEREAS it appears that, under the proposed installment sales agreement
15 between the Alaska Industrial Development Authority and Wien Air Alaska,
16 Inc., in the event of a default by Wien, the state would become the owner of
17 any facilities involved in the project and would be required to pay the debt
18 service on the bond issue involved; and

19 WHEREAS a default ownership or payment of debt service costs by the
20 state or one of its political subdivisions would be a direct violation of the
21 provisions of AS 44.61.120; and

22 WHEREAS, before entering into a lease or other agreement regarding a
23 project under the provisions of the Alaska Industrial Development Authority
24 Act, there must be a resolution of support for the project from the governing
25 body of the political subdivision of the state, if any, in which the project
26 is located, consenting to the location of the project; and

27 WHEREAS, on the basis of all information available to it, the authority
28 must, before entering into a lease or other agreement regarding a project
29 under the Alaska Industrial Development Authority Act, find that

1 (1) the project and its development under the Act will be economi-
2 cally advantageous to the state and the general public welfare and will con-
3 tribute to the economic growth of the state;

4 (2) the project occupant is financially responsible; and

5 (3) provision to meet increased demand upon public facilities that
6 might result from the project is reasonably assured; and

7 WHEREAS the legislature finds that six Alaskan local governing bodies
8 with authority over a total of seven Alaskan communities that would be affec-
9 ted by the proposed Wien Air Alaska bonding have failed to pass or have with-
10 drawn their required resolutions of support for the projects; and

11 WHEREAS, in light of the position of neutrality announced in AS 23.20.-
12 380(9) and the regulations adopted under it, the legislature finds that it
13 would be improper to determine that the proposed Wien Air Alaska, Inc. pro-
14 jects and their development under the Alaska Industrial Development Authority
15 Act would be economically advantageous to the general public welfare;

16 BE IT RESOLVED by the Alaska State Legislature that the Legislative
17 Audit Division is directed to undertake a performance audit of the Alaska
18 Industrial Development Authority; and be it

19 FURTHER RESOLVED that the governor is respectfully requested to direct
20 the Alaska Industrial Development Authority through its chairman, the commis-
21 sioner of commerce and economic development, not to endorse, assist, or
22 otherwise cooperate in facilitating the issuance of the particular Wien Air
23 Alaska, Inc. bonding proposal referred to in this resolution until the labor
24 dispute between Wien and its employees is settled.

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