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Referred: House Special Committee  
on State Loans and Finance

Original sponsor: Resources Committee

1 IN THE HOUSE BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE  
2 CS FOR HOUSE BILL NO. 377 (C&RA)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL  
6 For an Act entitled: "An Act financing regional transportation facilities  
7 by the Alaska Industrial Development Authority; and  
8 providing for an effective date."  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
10 \* Section 1. FINDINGS. In addition to the findings in AS 44.88.010,  
11 the legislature finds that:  
12 (1) In most areas of the state, there is a lack of basic trans-  
13 portation and port facilities adequate to permit the development of non-  
14 renewable natural resource enterprises, including mining enterprises.  
15 (2) The development of nonrenewable natural resource enter-  
16 prises, including mining enterprises, is essential to the long-term eco-  
17 nomic growth of the state and will directly and indirectly alleviate unem-  
18 ployment in the state.  
19 (3) The achievement of full employment and the establishment and  
20 continuing development of nonrenewable natural resource enterprises in the  
21 state will be accelerated by authorizing the creation of instrumentalities  
22 in the various areas of the state with powers to borrow money to provide  
23 for the development of transportation and port facilities, as provided in  
24 this chapter.  
25 \* Sec. 2. PURPOSE. In addition to the purposes specified in AS 44.88.-  
26 070, the purpose of the authority is to promote the development of trans-  
27 portation facilities by providing financing for transportation facilities  
28 or by owning and operating transportation facilities.  
29 \* Sec. 3. POWERS. In addition to the powers conferred on the authority

1 under AS 44.88.080 and under other law, the authority has the power to

2 (1) acquire, rent, hold, use, and dispose of real and personal  
3 property necessary, useful, or convenient for its purposes;

4 (2) grant, by franchise, lease or otherwise, the use of any  
5 project, facilities or property owned or controlled by it to any person for  
6 the consideration and period of time and upon the other terms and condi-  
7 tions it may fix and agree upon;

8 (3) lease or agree with others to use a project for the rentals  
9 and upon the terms and conditions the authority may consider advisable;

10 (4) charge and collect rents, rates, fees, or other charges for  
11 its services and facilities;

12 (5) issue bonds in accordance with sec. 4(b) of this Act and  
13 AS 44.88.090(b) - (f) to pay the cost of a transportation facility and to  
14 secure payment of the bonds by any means provided in AS 44.88; and

15 (6) establish insurance funds, reserve funds, or other funds and  
16 accounts with money provided by the sale of bonds or collateral provided by  
17 participating businesses, as the authority determines to be appropriate to  
18 further the purposes described in this Act.

19 \* Sec. 4. REGIONAL TRANSPORTATION FACILITY DEVELOPMENT FUND. (a)  
20 There is established in the authority the regional transportation facility  
21 development fund. The fund consists of money or assets appropriated or  
22 transferred to the authority for transportation facilities and other money  
23 or assets deposited in the fund by the authority. The fund may be used to  
24 finance or develop a transportation facility or to secure bonds issued to  
25 finance transportation facilities.

26 (b) If a transportation facility is financed or developed through use  
27 of the assets of the regional transportation facility development fund, the  
28 authority may not pledge or use other assets of the authority to assist in  
29 the financing or development of the transportation facility. With respect

1 to assets of the authority, bonds issued to finance transportation facil-  
2 ities constitute limited obligations of the authority, secured only by  
3 assets in the regional transportation facility development fund. If a  
4 transportation facility is also a qualified "project," as defined in  
5 AS 44.88.220(5), the limitation described in this section does not impair  
6 or restrict in any manner the authority's ability to finance the project  
7 under the programs established in AS 44.88.

8 \* Sec. 5. REGIONAL DEVELOPMENT ADVISORY COUNCIL. (a) A Regional  
9 Development Advisory Council may be established in each of the six economic  
10 regions recognized by the Bureau of Labor Statistics, United States Depart-  
11 ment of Labor, for the purpose of

12 (1) conducting hearings on and approving or rejecting proposed  
13 transportation facilities, unless proposed to be located wholly within the  
14 boundaries of a municipality; and

15 (2) advising the authority in the development, maintenance, and  
16 operation of transportation facilities.

17 (b) A Regional Development Advisory Council shall be organized in a  
18 region only after the authority has received a proposal for the development  
19 of a transportation facility within the region.

20 (c) A Regional Development Advisory Council consists of nine members  
21 registered to vote in the region. The governor shall appoint the members  
22 to reflect the economic and geographic diversity of the region. Council  
23 members serve three-year terms at the pleasure of the governor, except that  
24 the initial members may be appointed for less than three years so that the  
25 term of one-third of the council expires each year. The governor shall  
26 appoint a chairperson who shall call meetings as required and preside over  
27 the deliberations of the council. A majority of the council constitutes a  
28 quorum for transacting the affairs of the council.

29 (d) Members of a Regional Development Advisory Council receive no

1 compensation for their services on the council, but are entitled to per  
2 diem and travel expenses authorized by law for state boards and commissions  
3 under AS 39.20.180.

4 \* Sec. 6. APPROVAL AND FINDINGS REGARDING TRANSPORTATION FACILITIES.

5 (a) Before entering into an agreement with respect to the financing or  
6 development of a proposed transportation facility the authority shall  
7 obtain the approval of each Regional Development Advisory Council in which  
8 the proposed transportation facility is to be located, unless the proposed  
9 transportation facility is to be located wholly within the boundaries of a  
10 municipality, in which case the council shall obtain the approval of the  
11 municipality. Approval under this subsection shall be evidenced by a  
12 certified copy of a resolution of the council or governing body of the  
13 municipality.

14 (b) Before issuing bonds to provide financing for a transportation  
15 facility the authority shall obtain approval under (a) of this section and  
16 find, on the basis of all information reasonably available to it, that

17 (1) the transportation facility and its development under this  
18 chapter will be economically advantageous to the state and the general  
19 public welfare and will contribute to the economic growth of the state;

20 (2) the transportation facility applicant is financially respon-  
21 sible;

22 (3) the transportation facility is financially feasible and able  
23 to produce revenue adequate to repay the bonds with which it is financed;

24 (4) provision to meet increased demand on public facilities that  
25 might result from the transportation facility is reasonably assured;

26 (5) the transportation facility will provide or retain employ-  
27 ment reasonably related to the amount of the financing by the authority  
28 considering the amount of investment per employee for comparable facilities  
29 and other relevant factors; and

1           (6) the scope of the transportation facility is sufficient to  
2 provide a reasonable expectation of a benefit to the economy of the state.

3       \* Sec. 7. HEARING TO CONSIDER PROPOSED TRANSPORTATION FACILITY. Before  
4 considering a resolution regarding the approval or rejection of the devel-  
5 opment or financing of a proposed transportation facility, a Regional  
6 Development Advisory Council shall conduct a public hearing in at least  
7 three different locations within the region or, if applicable under sec.  
8 6(a) of this Act, the governing body of a municipality shall conduct a  
9 hearing.

10       \* Sec. 8. APPOINTMENT OF TWO AUTHORITY MEMBERS TO REPRESENT COUNCIL OR  
11 GOVERNING BODY. (a) If the development or financing of the proposed  
12 transportation facility is approved, the Regional Development Advisory  
13 Council or governing body of a municipality, as the case may be, may desig-  
14 nate two persons to serve as voting members of the authority in connection  
15 with subsequent action by the authority that exclusively concerns the  
16 transportation facility. If the transportation facility is located in the  
17 jurisdiction of more than one council, the authority may, by resolution,  
18 prescribe the manner in which local representation is provided.

19           (b) The two members designated under (a) of this section are subject  
20 to the provisions of AS 44.88.180, except that they may vote on a decision  
21 even though they may be shareholders of a Native corporation affected by  
22 the decision. However, they may not vote on the decision if they are  
23 officers or employees of the Native corporation.

24       \* Sec. 9. DEVELOPMENT, MAINTENANCE, AND OPERATION OF TRANSPORTATION  
25 FACILITIES. The authority must obtain approval of the Regional Development  
26 Advisory Council or governing body of a municipality, as the case may be,  
27 in which the transportation facility is located before the adoption or  
28 execution of contracts, agreements, resolutions, or other matters that  
29 directly concern the development, maintenance, and operation of the

1 transportation facility.

2 \* Sec. 10. EQUAL USE AND ACCESS. If the authority owns, leases, or  
3 otherwise operates or controls, or participates in the financing of a  
4 transportation facility, the authority shall, to the maximum extent pos-  
5 sible, provide for equal rights of access to and use of the facility by  
6 members of the public and other persons or entities, and the access to and  
7 use of the facility shall be upon terms and conditions which are fair and  
8 reasonable. However, this section does not prevent the authority from  
9 establishing fair and reasonable limitations on use of or access to a  
10 facility to the extent the limitations are necessary in connection with the  
11 nature of the facility or the demand for use of or access to the facility.  
12 This section applies to the establishment of rates and rate structures as  
13 well as all other factors, terms and conditions relating to the use of or  
14 access to the facility, including without limitation the design and loca-  
15 tion of the facility. The members of the authority shall make a written  
16 finding concerning compliance of the facility with the provisions of this  
17 section.

18 \* Sec. 11. DEFINITIONS. In this Act, unless the context requires  
19 otherwise,

20 (1) "authority" means the Alaska Industrial Development Author-  
21 ity;

22 (2) "transportation facilities" or "facilities" means harbor,  
23 port, shipping and transportation facilities of all kinds, including with-  
24 out limitation harbors, channels, turning basins, anchorage areas, jetties,  
25 breakwaters, waterways, canals, locks, tidal basins, wharves, docks, piers,  
26 slips, bulkheads, public landings, warehouses, terminals, refrigerating and  
27 cold storage plants, rolling stock, car ferries, tugs, boats, conveyors,  
28 tunnels, bridges, highways, roads and railroads, and appliances of all  
29 kinds for the handling, storage, inspection and transportation of freight

1 and natural resource products; it also includes without limitation all  
2 property, rights, easements and franchises relating to a facility and  
3 necessary or convenient for the acquisition, construction or operation of  
4 the facility.

5 \* Sec. 12. EFFECTIVE PERIOD. The powers described in this Act to  
6 finance or develop a transportation facility expire on December 31, 1985.  
7 Nothing in this section modifies the provisions of this Act with regard to  
8 transportation facilities approved, financed, and developed under this Act  
9 before December 31, 1985.

10 \* Sec. 13. This Act takes effect immediately in accordance with AS 01.-  
11 10.070(c).