

SENATE BILL NO. 338

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE BY REQUEST

Introduced: 2/22/94
Referred: L&C, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the issuance of revenue bonds for acquisition and
2 construction of the Alaska Discovery Center for the Ship Creek Project in
3 Anchorage; relating to a study of the feasibility and financial viability of the
4 Alaska Discovery Center; relating to construction of the Alaska Discovery Center;
5 and providing for an effective date."

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

7 * Section 1. (a) In furtherance of the state policy under sec. 1(a), ch. 153, SLA 1984 to
8 foster the long-term economic growth and development of the state, the Alaska Railroad
9 Corporation is authorized to issue revenue bonds in the principal amount of \$55,000,000 for
10 the construction and acquisition of the Alaska Discovery Center for the Ship Creek Project in
11 Anchorage, if the board of directors of the corporation determines after completion of the
12 study conducted under sec. 2 of this Act that the Alaska Discovery Center is feasible and
13 financially viable. This section constitutes legislative approval of the issuance of bonds by

1 the corporation, as required by AS 42.40.285.

2 (b) The Alaska Railroad Corporation may loan the proceeds from the sale of revenue
3 bonds authorized by this section to a public or private entity that the corporation considers
4 appropriate to acquire, construct, and operate the Alaska Discovery Center. The corporation
5 may enter into agreements, including leases, with a public or private entity that the corporation
6 considers appropriate to provide for and secure payment of a loan made from the proceeds
7 from the sale of the revenue bonds.

8 (c) The issuance of revenue bonds authorized by this section is subject to
9 AS 42.40.600 - 42.40.700, except that, notwithstanding AS 42.40.630, the bonds are special
10 nonrecourse obligations of the corporation payable only from the revenues and assets of the
11 public or private entity that owns and operates the Alaska Discovery Center.

12 * Sec. 2. The Alaska Railroad Corporation shall conduct a study of the feasibility and
13 financial viability of the proposed Alaska Discovery Center for the Ship Creek Project in
14 Anchorage, if a private party, including a potential developer or lessee of the Alaska
15 Discovery Center, enters into an agreement with the corporation to pay the cost of the study.
16 The corporation shall select the person to conduct the study. Upon receipt of the completed
17 study, the board of directors of the corporation shall determine whether the Alaska Discovery
18 Center is feasible and financially viable.

19 * Sec. 3. Before construction of the Alaska Discovery Center begins, the Alaska Railroad
20 Corporation shall require that the public or private entity authorized to construct the Alaska
21 Discovery Center post a performance bond in favor of the corporation to assure completion
22 of the Alaska Discovery Center.

23 * Sec. 4. Each bond issued under sec. 1 of this Act shall contain on its face a statement
24 that

25 (1) the Alaska Railroad Corporation is not obligated to pay the bond or the
26 interest on the bond except from the revenue or assets pledged for the bond;

27 (2) neither the faith and credit nor the taxing power of the State of Alaska or
28 of a political subdivision of the state is pledged to the payment of the bond; and

29 (3) the issuance of the bonds does not create a legal or moral debt of the State
30 of Alaska and payment of the bond is not directly or indirectly dependent upon an
31 appropriation by the Alaska State Legislature.

1 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).