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B

9

COMMITTEE REPORT

HOUSE

4/21/81

FURTHER:

FINANCE

(7)

Date: _____

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 320am(title)

"An Act making a special appropriation to the Alaska Municipal Bond Bank Authority for the purchase of general obligation bonds issued by the City of Nenana; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
- and recommends _____ new title
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

SB 329 - AN ACT MAKING A SPECIAL APPROPRIATION TO THE ALASKA
MUNICIPAL BOND BANK AUTHORITY FOR THE PURCHASE OF

REVENUE BOND ISSUED BY THE CITY OF NENANA

- general obligation bonds -

Testimony
of
Jack Coghill, Mayor of Nenana
and
David Rose, Executive Director
The Municipal Bond Bank

COGHILL - The history behind this bill is that in the summer of 1980, the Alaska Railroad indicated to the then leasehold operator of their fleet on the Yukon and Tanana Rivers that the General Services Administration was desirous of terminating their contract through the Federal Rail Administration and was going to sell the equipment under the General Services Administration surplus property on October 1. This triggered a flurry. We contacted the Alaska Railroad knowing that the lifeline on the Yukon River all the way from Saint Mary's up to Fort Yukon was in jeopardy because the barge operation on the river operates four months of the year and if they were to put this to the open market, surely this equipment would go out of state and it would devastate the Yukon River transportation system. So we met with the railroad in August and started a scenario going with them whereby the City of Nenana would be interested in acquiring the equipment and continuing an operating lease on the river. This contact stopped the General Services Administration's position of selling the property in October.

Subsequently we met with the Alaska Railroad in November and with the General Services Administration surplus property people and started

to get the appraisal of the equipment put together to find out exactly what the price was and how we could go into the purchase of it. At that time we contacted the Municipal Bond Bank and subsequently Dave Rose started the process going as to finding out what kind of bonds we could get and where we could place them.

In January we signed a letter of intent with the Alaska Railroad and with Yutana Barge Lines, giving them their leasehold right to negotiate first in good faith with the City of Nenana as to the operation of the barges. Subsequently we put the proposition before the people of Nenana and we got a three to one passage on a bond issue on the 21st of February. Since that time we have found that because the assessed valuation of the municipality of Nenana is about \$6.5 million, there was a real question as to whether we could market on the open bond market a \$2.5 million structure. Just to put the figures together--it was real tough. As to the technicality of it, I'll turn that over to Mr. Rose. We have an operating agreement or a letter of intent with Yutana Barge Lines which gives a good substantial pay-back to the bond issue, and we're not looking for any handout; what we're looking for is a method of investing to keep the barge system in tact on the Yukon River and its tributaries.

DAVE ROSE - Mr. Chairman, I'm Dave Rose the Executive Director of the Municipal Bond Bank. Just to amplify a little bit of what Jack has had to say, the bond bank board and, of course myself, h

looked through the request from the City of Nenana, and we are impressed by the public policy implications and the importance of the project with respect to the refueling of the villages in the whole Tanana and Yukon region. We consider the acquisition and the avoidance of the loss of this equipment to be paramount in fuel resupply for these villages. We did, of course, see whether these bonds, the Nenana bonds, could be marketed nationally, or our bonds on behalf of them, and we find that while we think that the loan can be repaid, and we think that the project from an economic standpoint is viable, probably the debt is not that kind of debt that can be nationally marketed. It just would not be accepted on the Wall Street markets as the kind of securities that would normally be purchased. Hence, you have SB 329 which basically appropriates money to the bond bank which would then act to buy the bonds for the City of Nenana. Nenana would on a set schedule pay the bond bank the funds, both principal and interest, over a period of time. The board of directors of the bond bank would be the approving authority with respect to the structuring of the debt in terms of years and rate, and it would be based on ability to pay for the project.

One of the major flaws we found in analyzing the credit was the fact that the plan is for Yutana Barge Lines to continue to operate as they've always operated. The only thing that changes here is the ownership of the floating stock. And the city has some expenses that the railroad does not normally have. For example,

the federal government generally self-insures. Well, in this case the City of Nenana is going to have to buy some insurance. And the maintenance has been allowed to lag a little bit on the federal side and the City of Nenana would want to maintain just a little bit better. So, some of the costs would be a little bit higher than historically what we've seen." And the ability of Yutana Barge Lines to pay is going to fluctuate, of course, with their profitability. All in all, we think it is a good debt. We think it's a good project and we think it has immense regional importance with respect to the resupply of the fuel on the Tanana and Yukon. In this respect we would ask for your support of SB 329. We believe we can administer it, and we think it is a sound project albeit not nationally marketable.

SACKETT - One statement regarding this service. All the way down the Yukon to the mouth, and up the river to the Canadian border, and on the Tanana, the only method by which the villages receive anything--fuel, heavy construction equipment, trucks, building materials--is by ordering it from Fairbanks, having it shipped to Nenana, and then down by barge. All of our diesel fuel is shipped that way and so it's kind of an emergency situation of trying to get the service there, and hopefully somebody running the operation.

STURGULEWSKI - I support this, but I think there is one kind of important thing if you want to look at the safety of it that was brought out in Community and Regional Affairs. Dave, could

you explain the Municipal Bond Bank's call on any revenue sharing funds in case of default on this?

DAVE ROSE - Mr. Chairman, Senator on a general obligation debt, the bond bank has a requirement that if debt is not paid timely, it has the right, in fact by law, it must go in and seize any moneys due from the state to a municipality in an amount necessary to clear or avoid the default. It is a very, very strong provision. Needless to say, the bond bank has been in existence for some five to six years; we've never even had a late payment on some 70 to 80 million dollars of debt. The reason simply is that if a city does not pay, we can levy upon the money due them from the state. So we would expect that we would be paid.

STIMSON - Dave is this an arrangement that you've made in a number of cases for small municipalities?

DAVE ROSE - Senator, no it is not with respect to the state. This is the first one. However, last year we did borrow \$1.7 million dollars from the federal government to handle exactly the same way for the City of Seward, and we borrowed some \$6.7 million from the federal government for construction of the hospital in the Kenai Peninsula Borough. This is the first type like this with respect to the state itself furnishing the funds.

STIMSON - To pursue that just a little bit further. Now when we appropriate this money to the Dept. of Revenue, do we essentially

then just move that money out of our general fund to your bond bank authority and we don't see it any more?

DAVID ROSE - Mr. Chairman, Senator, for the moment that is correct. However, the bond bank does not retain any of its funds that it earns. Within our act there is a requirement that surplus money derived from the appropriation of funds go back to the state general fund. Every year the bond bank earns a surplus. For example, this year we'll turn back some \$460,000 of surplus funds. So that every year if we have surplus moneys they go back to the state. So I would expect in the long run all of this money will be returned to the state under the present law as now written.

SACKETT - You say that this is the first time we've had a situation where the moneys would go along these lines. You had a borrowing program twice. Last year didn't we also have a grant program where the legislature appropriated moneys to Anchorage because they couldn't sell their bonds on the market.

DAVID ROSE - Senator, that was a subsidy program where a lot of cities could not sell their debt in excess of 8%. So what we sold on the national market at 10, there was an appropriation then to make up the differential of the 2%. And that was statewide-- Anchorage, Sitka, Bristol Bay--were major beneficiaries.

DANKWORK - If there are no further questions, I would move it out with individual recommendations.

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

CHAIRMAN:

ROHMAN J. LEVESQUE

BOARD MEMBERS:

THOMAS K. WILLIAMS

LEE MCANERNEY

LANCE ANDERSON

CARROLL FADER



**601 WEST FIFTH AVENUE
SUITE 430
ANCHORAGE, ALASKA 99501
(907) 274-7366**

EXECUTIVE DIRECTOR:

DAVID A. ROSE

ALASKA MUNICIPAL BOND BANK AUTHORITY

The AMBBA Board of Directors finds that the proposed loan to the City of Nenana is too weak to be funded through a national marketing of bonds and declines to issue debt to fund this loan.

However, the AMBBA Board of Directors believes that the public need, both for the City of Nenana and the entire river system, must be aggressively met in a timely manner.

Therefore it resolves that its Executive Director is directed to work with the City of Nenana to seek other funding alternatives.

Adopted March 3, 1981

71-35

FOSTER & MARSHALL, INC.

INVESTMENT BANKERS AND BROKERS

205 COLUMBIA STREET
SEATTLE, WASHINGTON 98104
(206) 344-2700

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CHICAGO BOARD OPTIONS EXCHANGE

February 23, 1981

Mr. David Rose
Alaskan Municipal Bond Bank
The Financial Plaza
601 West Fifth Avenue
Suite 325
Anchorage, Alaska 99501

Re: City of Nenana Port Authority Project Financing, 1981

Dear Mr. Rose:

The City of Nenana has applied for a loan from the Bond Bank in the amount of \$2.5 million. It is the intent of the City to use proceeds of the proposed bond issue to purchase a tug and barge fleet from the Alaska Railroad. Evidently, during late 1980, the Alaska Railroad decided to discontinue its involvement in operations along the Yukon and Tenena Rivers, and the City of Nenana views the termination of services by the railroad as having a crucial impact on the economic viability of the City. Therein lies the justification for the current project. Voters of the City will decide whether or not to authorize issuance of bonds up to the \$2.5 million amount on February 24, 1981.

FINANCIAL INFORMATION

The City currently has \$43,000 in general obligation debt outstanding and \$215,000 in authorized, but unissued, general obligation debt. With regard to the latter, this bond issue will probably be effected within the next twelve months to retire a Bond Anticipation Note issued during 1979 to construct water and sewer improvements for the City. Based upon the City's current assessed valuation of approximately \$6.0 million, the debt ratio picture with the outstanding and proposed \$215,000 bond issue debt is reasonable. Obviously, the issuance of \$2.5 million in straight general obligation debt would distort the ratio picture to the point of being totally out of the question. The issuance of the proposed \$2.5 million in general obligation debt at this time would eliminate the ability of the City to issue future general obligation debt, specifically, the \$215,000 to retire the outstanding Bond Anticipation Note.

This brings us to the alternative of issuing revenue bonds and pledging revenues of the tug and barge operation to the payment of the bonds with a City general obligation backup as security. Strength of the underlying

revenue security in this type of situation, obviously, is the first consideration. As we understand the structure of the proposed project, the City of Nenana would form a port authority that would purchase the tug and barge vessels from the Alaska Railroad and subsequently lease the vessels to Yutana Barge Lines. Revenues from the lease arrangement would then be used to pay off the bonds. A cursory review of the financial operations of Yutana Barge Lines was of little comfort. Briefly, as shown in Schedule I which is a combined statement of operations for Yutana Barge Line and Black Navigation, the company operated at a loss for the years 1976 and 1977, and at a profit for the years 1978 and 1979. Operating revenues that would be available to pay debt service as of the end of the year 1979, therefore, would be approximately \$175,000. A quick look at the asset and liability structure of the Company shows that the Company was basically insolvent at the end of the year 1979. Schedule II shows a summary of current assets versus current liabilities for the last four years. Another drawback is the source of revenue for the Company. As shown in Schedule III, the Company relies heavily on two sources for the majority of revenue earned. These sources were an unnamed oil company and government agencies. Combined revenues from the two sources accounted for approximately 60% of the total revenues generated by the Company for each of the past four years. Taking a look at the debt equity picture for the Company we see that the Company is extremely highly levered. The debt equity ratio for the company for the past years is summarized in schedule IV; as of the end of the year 1979 debt was almost 4.0 times equity. As shown in the accompanying schedules, this is not the type of financial record that would be looked upon very favorably as an underlying security for debt issued.

We feel that the structure of the project financing as proposed is very weak and would meet with considerable resistance in today's Tax-Exempt Bond Market. The resistance, frankly, might be to the point of not even being possible. Also, the size of debt contemplated whether it be general obligation or revenue debt with the general obligation backup by the City of Nenana would be detrimental to the City's ability to issue further debt. We do not think that is fair to the City. It is therefore our recommendation, that the Bond Bank Board not approve this financing as structured and, further, that it recommend to the City that it seek other alternatives. We will remain available to assist the Bond Bank and the City in any further efforts to secure State or other assistance.

Cordially,

FOSTER & MARSHALL, INC.

John D. Urbina
Vice President
Municipal Finance Department

SCHEDULE 1

YUTANA BARGE LINES/BLACK NAVIGATION
COMBINED STATEMENT
OF
OPERATIONS

	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>1976</u>
Operating Revenues:				
Freight	\$3,177,000	\$2,803,000	\$2,767,000	\$2,428,000
Literage & Cargo Handling	420,000	452,000		
Sale of Equipment	143,000	-		
Other	<u>23,000</u>	<u>12,200</u>		
Total	<u>\$3,763,000</u>	<u>\$3,267,200</u>	<u>\$2,767,000</u>	<u>\$2,428,000</u>
Operating Expenses	\$2,740,000	\$2,536,000	\$2,350,000	\$1,989,000
General and Administrative Expenses	514,000	443,000	415,000	392,000
Loss on M.V. Fire	105,000			
Interest Expense	202,000	180,000	157,000	133,000
Other Income	<u>(22,000)</u>	<u>(46,000)</u>	<u>42,000</u>	<u>15,500</u>
Income Before Taxes and Extraordinary Items	225,000	124,000	(113,000)	(70,400)
Taxes				
Extraordinary Items	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Net Income	\$ 175,000	\$ 124,000	\$ (113,000)	\$ (50,400)

SCHEDULE II

CURRENT ASSETS VS. CURRENT LIABILITIES

	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>1976</u>
Current Assets	\$437,500	\$572,500	\$385,000	\$311,500
Current Liabilities	<u>440,000</u>	<u>542,000</u>	<u>362,000</u>	<u>498,000</u>
	\$ (2,500)	\$ 30,500	\$ 23,000	\$ (186,500)

SCHEDULE III

MAJOR CUSTOMERS

	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>1976</u>
Oil Company	34%	35%	32%	33%
Government Agencies	<u>22%</u>	<u>26%</u>	<u>28%</u>	<u>29%</u>
	56%	61%	60%	62%

SCHEDULE IV

DEBT/EQUITY RATIO

	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>1976</u>
	3.73	8.17	9.10	4.12

CHAIRMAN:
NORMAN J. LEVESQUE

BOARD MEMBERS:
THOMAS K. WILLIAMS
LEE McANULTY
LANCE ANDERSON
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601 WEST FIFTH AVENUE
SUITE 325
ANCHORAGE, ALASKA 99501
(907) 274-7366

EXECUTIVE DIRECTOR:
DAVID A. ROSE

ALASKA MUNICIPAL BOND BANK AUTHORITY

APPLICATION (Please Print or Type)

The undersigned governmental unit (the applicant) hereby requests purchase by the Alaska Municipal Bond Bank Authority of the bond issue of the applicant described below. *This application shall not be deemed to be a commitment on the part of the applicant or of the Alaska Municipal Bond Bank Authority.*

SECTION I: General Information

(a) Name of Governmental Unit (Applicant): City of Nenana

(b) Name of Chief Administrative Official: John N. Coghill
(Specify title if other than Mayor)

(c) Person to whom correspondence and inquiries concerning this application should be sent: Name: John N. Coghill / Steve Bainbridge
Title: Mayor

Address: Box 177 Nenana, Ak. Phone: 832-5441

(d) Senior Finance Officer - Name: Kaye Knutson
Title: City Clerk-Treasurer Phone: 832-5441

(e) Applicant's Regular Legal Counsel - Name: James DeWitt
Suite 206 - Medical & Arts Bldg.
Address: 1919 Lathrop St. Fairbanks, Ak. 99701 Phone: 452-2211

(f) Bond Attorney for this Issue - Name: Richard O. Gantz
Firm Name: Hughes, Thorness, Gantz, Powell & Brundin
Mailing Address: 509 W. Third Avenue Anchorage, Ak. Phone: 274-7525

(g) Total amount of bond purchase request: \$ \$2,500,000 (2.5 million)

(h) Purpose(s) for which bonds will be used:

<u>Amount</u>	<u>Purpose</u>	<u>Date of Approving Election(s)</u>
<u>2.5 million</u>	<u>Acquisition of Alaska Railroad property and financing of capital improvements related to the development of the Nenana City port operation.</u>	<u>February 24, 1991</u>

(i)

**MATURITY SCHEDULE OF BONDS REQUESTED
(IN DENOMINATIONS OF \$5,000)**

1981 \$ _____	1987 \$ _____	1993 \$ _____	1999 \$ _____
1982 \$ _____	1988 \$ _____	1994 \$ _____	2000 _____
1983 \$ _____	1989 \$ _____	1995 \$ _____	2001 \$ _____
1984 \$ _____	1990 \$ _____	1996 \$ _____	2002 \$ _____
1985 \$ _____	1991 \$ _____	1997 \$ _____	2003 ; _____
1986 \$ _____	1992 \$ _____	1998 \$ _____	2004 \$ _____

(Dated date and monthly maturity date will be specified by the Bond Bank.)

(i) Briefly describe project(s) to be financed with requested bond issue: Purchase of the Alaska Railroads tug and barge fleet and certain personal and real property as described in the "Letter of Intent Between the Alaska Railroad & the City of Nenana" (attached to this application)

(k) Name and address of Engineer/Architect: Steve Bainbridge
Address: City of Nenana Phone: 832-5441
Nenana, Ak. Zip: 99760

(l) Status of Project to be financed with this Bond Issue:
Engineering/Architect's plans and specifications completed? YES NO
If "NO" when do you expect completion? October 1981
When do you plan to open construction bids? April 1982
If regulatory agencies have not yet approved project, when do you expect approval? N/A Date

(m) Source of Funds for Project:	(n) Use of Funds for Project
Bonds being requested \$ <u>2,500,000</u>	Construction \$ _____
Federal Funds _____	Land _____
State Funds _____	Architect/Engineer _____
Applicant's Other Funds _____	Contingency _____
Other (Specify): _____	Other Costs _____
TOTAL FUNDS \$ _____	TOTAL COSTS \$ _____

(o) Have all required Grant funds been approved? YES NO
If "NO", when do you expect final approval? _____ Date

Fill in the following details on presently outstanding General Obligation bonds of your municipality. If you have more than four issues, please attach separate sheet showing annual principal and interest payments, please enclose. If you have more than four issues, please attach separate sheet showing additional issues.

(a)	<u>Issue 1</u>	<u>Issue 2</u>	<u>Issue 3</u>	<u>Issue 4</u>
Original Amount of Issue	\$ <u>300,000</u>	\$ _____	\$ _____	\$ _____
Purpose of Bonds	<u>Construction of school</u>	_____	_____	_____
Date of Issue	<u>December 20, 1967</u>	_____	_____	_____
Amount Outstanding as of				
Date of Application	\$ <u>233,000</u>	\$ _____	\$ _____	\$ _____
Maturity Date (mo/day)	<u>January 1, 1998</u>	_____	_____	_____

<u>Maturities</u>	<u>Amount</u>	<u>Coupon Int. Rate</u>	<u>Amount</u>	<u>Coupon Int. Rate</u>	<u>Amount</u>	<u>Coupon Int. Rate</u>	<u>Amount</u>	<u>Coupon Int. Rate</u>
1981			See attached schedules listed as Attachment "C"					
1982								
1983								
1984								
1985								
1986								
1987								
1988								
1989								
1990								
1991								
1992								
1993								
1994								
1995								
1996								
1997								
1998								
1999								
2000								
2001								

(b) - Complete information below on bonds that have been authorized by the voters but not yet issued:

<u>Purpose</u>	<u>Date of Approving Election</u>	<u>Amount Bonds Authorized</u>	<u>Amount of Authorization Previously Issued</u> <u>Amount</u>	<u>Date</u>	<u>We plan to issue Remainder of Authorized Bonds about: (m/y)</u>
Construction of	April 10, 1978	215,000	\$		
Community Water & Sewer Project					
(See attached "First Renewal of Bond Anticipation Note" date February 1, 1978)					

(c) General Obligation Bond Fund Balances as of: January 21, 1981
Date

<u>Fund Name</u>	<u>Balance</u>
School Bonds	\$ 233,000

(d) Outstanding Bond Anticipation Notes issued in anticipation of requested bond issue: \$ _____
\$ None Due Date: N/A

Outstanding Bond Anticipation Notes issued in anticipation of other authorized bonds:
\$ 215,000 Due Date: February 1, 1982

(e) Outstanding Revenue Bonds as of: January 21, 1981
Date

<u>Amount Outstanding</u>	<u>Type of Bonds</u> <u>(i.e. Utility Revenue, Port Terminal Revenue, etc.)</u>
\$ None	N/A

SECTION 3: Tax Collection and Financial Information

(a) Please specify assessed valuation of all taxable property within applicant's corporate limits, and property taxes collected for past 5 years:

Year	Assessed Value	Amount of Property Tax Levy	Amount Collected in Year of Levy	Amount Collected as of _____ Date
1976	\$ see enclosed audit	Page 5	\$ _____	\$ _____
1977	" "	" "	_____	_____
1978	" "	Page 4	_____	_____
1979	" "	" "	_____	_____
1980	" "	" "	_____	_____

(b) List below 10 largest taxpayers within applicant's boundary or jurisdiction:

Name of Taxpayer	10 Largest Taxpayers Type of Business	Assessed Valuation
1. John B. Coghill	Nenana Fuel Co.	\$ 709,109.00
2. Glacier State Telephone	Phone Utility	596,133.00
3. Yutana Barge Lines	Barge Lines	579,995.00
4. Howard Holbert	Corner Bar & Motel	560,805.00
5. Robert Coghill	General Store	446,256.00
6. Robert Beck	Excavation	265,043.00
7. Norman Suckling	Rentals	224,003.00
8. Arthur Hanks	Apartments	191,947.00
9. Vern Weiss	Bar	98,333.00
10. Bud Meyers	Real Estate	88,719.00

(c) List other sources of income that have been, or will in the future be used to pay principal and interest on General Obligation Bonds:

Year	Sales Tax	State Funds	Other (Specify)
1976	\$ See enclosed Page 6	\$ _____	\$ _____
1977	" " " 7	_____	_____
1978	" " " 6	_____	_____
1979	" " " 6	_____	_____
1980	" " " 6	_____	_____
1981	" " " 6	_____	_____

(d) Enclose copy of most recent financial statement, 1980 budget, and any other information that will assist us in evaluating your request.

(e) Has your municipality ever defaulted on the payment of principal or interest upon any of its General Obligation Bonds or other indebtedness? YES NO

(a) List the three (3) largest employers in your local area:

	<u>Firm Name</u>	<u>Type of Business</u>	<u>Estimated Employment</u>
1.	Yukon Koyukuk School District	School	75
2.	Yutana Barge Lines	Barge Lines	35
3.	Wilderness Builders	Timber	45

(b) Please list population figures for your community:

<u>Year</u>	<u>Population</u>	<u>Year</u>	<u>Population</u>
1960	300	1978	508
1970	416	1979	508
1975	478	1980	592

(c) Give a brief summary of the economy of your municipality. Include major industries, and anticipated additions or changes in employment prospects. Describe any negative economic factors.

Nonana is located in Interior Alaska at the confluence of the Nenana and the Tanana River; and is tied to Anchorage & Fairbanks by the Alaska Railroad and the Parks Highway. This combination allows Nonana to serve as the hub of transportation for Interior Alaska. The major economy of the community revolves around shipping freight to Alaskan villages, and it is for this very reason the City of Nenana wishes to acquire the Alaska Railroad property described elsewhere in this application. As the Alaska Railroad "proposes to divest itself of its responsibility for the operation of a river freight transport service", it is of the utmost importance that the City of Nenana acquire the Railroad's interest in this service so that this equipment does not leave Nenana. This acquisition of the Alaska Railroad property will allow the City of Nenana to further develop its transportation and cargo shipment capabilities, especially as it applies to the development of the Nenana-Totchaket Agriculture project in this area.

The facts and representations in this application form and addendum are true in all respects to the best of our knowledge.

Date of Application: JANUARY 21 1981

Signature

Name

Title

[Handwritten Signature]
JOHN B. COGHILL
MAYOR



FEB 04 1981

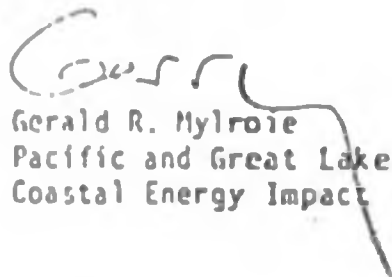
Mr. David A. Rose
Executive Director
Alaska Municipal Bond Bank
601 West Fifth Avenue
Suite 325
Anchorage, Alaska 99501

Dear Dave,

Regarding the Nenana project, it appears that it is not eligible for CEIP assistance. While the acquisition of the oil barges, and tug boat could be considered a public facility, we can not find how they are "required as a result of coastal energy activity". Also our regulations would not consider Nenana a unit of general purpose government which had authority over coastal zone. (15 CFR 931.20) Our records show that Nenama is not in the coastal zone.

If this is incorrect or if you have a rationale for why the facility is required as a result of coastal energy activity, we will be glad to consider it.

Sincerely,



Gerald R. Mylroie
Pacific and Great Lakes Area Manager
Coastal Energy Impact Program

cc: Lamar Cotton



YUTANA BARGE LINES, INC.
BLACK NAVIGATION COMPANY, INC.

NOTES TO
PRO-FORMA OPERATING STATEMENTS

1980 through 1985
PREPARED JANUARY 8, 1981

These pro-forma operating statements are the representation of the management of Yutana Barge Lines, Inc. and Black Navigation Company, Inc. The projections are based on assumptions which are described below. Since these projections were prepared before the closing of the books for the year ended December 31, 1980, that year has been designated (e) for estimated.

ASSUMPTIONS

Operating revenues will increase 12% per year from the 1980 level which was a 15% increase over 1979. The increase will be due to a 2% per year freight volume increase and a 10% rate increase each year.

Operating expenses, in the aggregate, increase 8% per year although individual line items change by various percentages. Except for 1981, depreciation remains constant as it is assumed that new additions will replace assets which become fully depreciated.

Charter rents remains constant at \$370,000 which represents \$270,000 for lease of the vessels, equipment and property from the City of Nenana plus \$100,000 for charter and rent of other equipment.

Interest expense is assumed to remain constant even though the projections show steady growth of the companies. This is because there is assumed to be no substantial increase in long term debt. The existing debt will be paid down and some of the increased working capital needs will be internally financed as the financial position of the companies improves.

Other income is miscellaneous rents, interest, etc. and is based on recent experience.

Income taxes are provided at the combined statutory rates for Federal and Alaska with a modest reduction for some assumed investment tax credit.

These pro-forma statements make no allowance for major changes in operations, but rather assume steady growth and consistent operating methods. External factors such as a substantial increase or decrease in tonnage in a given year could have a significant impact on the projected results.

YUTANA BARGE LINES, INC.
BLACK NAVIGATION CO., INC.
PRO-FORMA OPERATING STATEMENTS
\$ (000)

	<u>1980 (c)</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
OPERATING REVENUES	4,165	4,665	5,225	5,850	6,550	7,230
OPERATING EXPENSES						
Crew Wages	445	490	540	595	655	720
Depreciation	450	470	450	450	450	450
Repair and Maintenance	530	530	540	640	705	775
Insurance	285	315	340	370	400	430
Charter Rents	370	370	370	370	370	370
Food & Supplies	162	194	210	230	250	275
Other Operating Expenses	195	224	245	270	300	330
Fuel	357	392	420	450	490	510
Payroll Taxes & Employee Benefits	201	230	265	305	350	400
Dock & Warehouse Wages	140	161	185	210	240	280
	3,135	3,376	3,605	3,890	4,200	4,540
Income from operations	1,030	1,289	1,620	1,960	2,350	2,690
GENERAL & ADMINISTRATIVE						
Office & Supervision Salaries	710	775	840	907	975	1,045
Officers Salary & Expense	150	161	172	183	196	210
Office Rent & Utilities	65	70	77	85	93	100
Other Administrative Expenses	50	56	63	70	78	90
Legal & Accounting	35	45	50	55	60	70
Travel & Entertainment	18	25	27	30	33	35
Bad Debts	45	30	33	36	40	45
	573	612	662	716	775	845
INTEREST EXPENSE	200	180	180	180	180	180
OTHER INCOME	(50)	(50)	(50)	(50)	(50)	(50)
	72	72	72	86	95	95
Income before income taxes	307	547	828	1,114	1,445	1,815
PROVISION FOR INCOME TAXES	132	220	279	324	420	482
Net Income	175	327	549	790	1,025	1,333

The accompanying notes are an integral part of these pro-forma operating statements.

RESOLUTION NO. 00-10

WHEREAS; The City of Nenana is the major river port entry for all the communities on the Yukon River Drainage and;

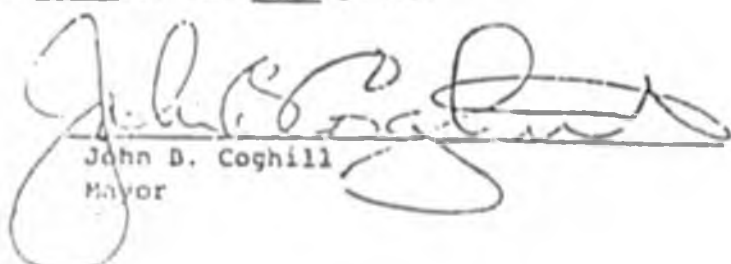
WHEREAS; The Rail, Highway connections to this trade area has been located at Nenana since 1920 and;

Whereas; The U.S. Government has expressed its intent to dispose of its interest in the Barges and Tugs operating on this drainage by a Public Sale regardless as to where they may be used and;

Whereas; The City of Nenana feels that the interest of all the communities on the Yukon River system as well as the economy of Nenana would suffer irreparable harm if such action is allowed to happen by the G.S.A. of the U.S. Government.

Now therefore be it resolved that the Common Council of the City of Nenana hereby authorize the Mayor, or his designated representative, to negotiate the purchase and transfer of all its floating stock, docks, and adjoining land, and related equipment from the Alaska Railroad to the City of Nenana.

ADOPTED by the City Council of the City of Nenana, Alaska this 30 day of August, 1900 by a vote of 4 for and 0 against


John D. Coghill
Mayor

Introduced: 8/30/00

Adopted: 8/30/00

Attest: William S. Brown
City Clerk

FIRST RENEWAL OF

BOND ANTICIPATION NOTE DATED FEBRUARY 1, 1979

The CITY OF NENANA, ALASKA, a municipal organization organized under the laws of the State of Alaska, herein called maker, for value received promises to pay to the FARMERS HOME ADMINISTRATION, Department of Agriculture, United States of America, herein called payee, the sum of TWO HUNDRED FIFTEEN THOUSAND DOLLARS (\$215,000.00), according to the following terms and conditions:

1. Payee shall provide the principal to maker under this note as partial funding for the construction of a water and sewer system for the maker. Payment shall be made according to the following schedule:

Approval of construction plans and specifications,
award of construction contract and issuance of
notice to proceed 30% payment.

Construction certified 25% complete 55% payment.

Construction certified 50% complete - 80% payment.

Construction certified complete and final costs
summary submitted - 90% payment.

Bonds completed and accepted 100% payment.

Payment shall be made upon certification as to construction progress by the project engineer and delivery of documents as required. Payment shall be delivered to a designated checking account of maker.

2. This first renewal of the bond anticipation note dated February 1, 1979 shall bear interest at five percent (5%) interest per annum. Interest shall begin to accrue on principal when checks for payment are delivered to maker. Delivery made by mail shall be complete when the checks are mailed. Checks mailed to maker in an amount of more than One Thousand Dollars (\$1,000.00) shall be mailed by certified mail, return receipt requested. Interest shall accrue only on principal delivered and shall be paid quarterly as accrued. Interest payments shall be made to payee at 101 12th Avenue, Fairbanks, Alaska 99701.

3. This first renewal of the bond anticipation note dated February 1, 1979 is made by maker in anticipation of the purchase by payee of the general obligation bonds authorized by the City Council, City of Nenana, Alaska on March 16, 1978 by Ordinance No. 78-2, and approved by the voters of the City of Nenana, Alaska at a special election on April 10, 1978. This note is payable solely out of proceeds of the sale of those general obligation bonds or out of the proceeds of a new bond anticipation note or notes in the event the general obligation bonds have not been sold on or before the maturity date of this first renewal of the bond anticipation note dated February 1, 1979, and out of and upon the full faith and credit of the City of Nenana, Alaska.

4. The delivery of the permanent bond instruments to payee or the payment in full of principal and accrued interest shall cancel this first renewal of the bond anticipation note dated February 1, 1979, and this first renewal of the bond anticipation note dated February 1, 1979 shall then be delivered to maker marked as "Paid".

Mayor of the City of Nenana, Alaska, acting under authority of a resolution by the City Council. This renewal may be itself renewed for an additional term of one year from the due date of this first renewal.

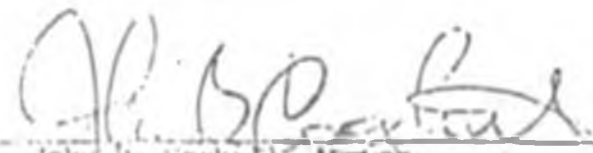
6. The maker pledges its full faith, credit, taxing power and resources to the repayment of this bond anticipation note. The maker pledges to use the proceeds of this note for the single purpose of financing construction of a water and sewer system for the City of Nenana, Alaska.

7. Upon receipt of this first renewal of the bond anticipation note dated February 1, 1979, the payee shall deliver to maker the bond anticipation note dated February 1, 1979, marked as "Paid". There shall be no further liability to the City under or an account of the original bond anticipation note dated February 1, 1979. Any liability to the City of Nenana, Alaska shall be based exclusively upon this renewal, and according to the terms and conditions of this renewal.


8. It is certified and declared that this first renewal of the bond anticipation note dated February 1, 1979 is issued pursuant to and in strict compliance with the Constitution and laws of the State of Alaska, and the Code of Ordinances of the City of Nenana, Alaska, and Resolutions of the City of Nenana, Alaska, and that all acts, conditions and other things required to happen and to be done and performed precedent to and in the issuance of this renewal have happened, been done and performed.

IN WITNESS WHEREOF, the CITY OF NENANA, ALASKA, a municipal corporation organized under the laws of the State of Alaska has caused this note to be executed by its duly authorized officers in the manner and form prescribed by Alaska law and Resolution No. 80-1 this 1st day of February, 1980.

CITY OF NENANA, ALASKA

By: 
John H. Coghill, Mayor
City of Nenana, Alaska

ATTEST:


City Clerk
City of Nenana, Alaska

(seal)

GENERAL OBLIGATION SCHOOL BONDS
 \$300,000 Single Bond 1967 Issue
 30 Years, 6 Per Cent Interest
 Maturity Schedule/Debt Service

<u>YEARS</u>	<u>Principal Balance</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Total</u>	<u>Annu Tot</u>
July 1, 1968	\$ 300,000	\$ -0-	\$ 9,500*	\$ 9,500 ^{pd}	\$
Jan. 1, 1969	300,000	5,000	9,000	14,000 ^{pd}	23,5
July 1, 1969	295,000	-0-	8,850	8,850 ^{pd}	
Jan. 1, 1970	295,000	5,000	8,850	13,850 ^{pd}	22,7
July 1, 1970	290,000	-0-	8,700	8,700 ^{pd}	
Jan. 1, 1971	290,000	5,000	8,700	13,700 ^{pd}	22,4
July 1, 1971	285,000	-0-	8,550	8,550 ^{pd}	
Jan. 1, 1972	285,000	5,000	8,550	13,550 ^{pd}	22,1
July 1, 1972	280,000	-0-	8,400	8,400 ^{pd}	
Jan. 1, 1973	280,000	5,000	8,400	13,400 ^{pd}	21,8
July 1, 1973	275,000	-0-	8,250	8,250 ^{pd}	
Jan. 1, 1974	275,000	5,000	8,250	13,250 ^{pd}	21,5
July 1, 1974	270,000	-0-	8,100	8,100 ^{pd}	
Jan. 1, 1975	270,000	5,000	8,100	13,100 ^{pd}	21,2
July 1, 1975	265,000	-0-	7,950	7,950 ^{pd}	
Jan. 1, 1976	265,000	6,000	7,950	13,950 ^{pd}	21,9
July 1, 1976	259,000	-0-	7,770	7,770	
Jan. 1, 1977	259,000	6,000	7,770	13,770	21,5
July 1, 1977	253,000	-0-	7,590	7,590	
Jan. 1, 1978	253,000	6,000	7,590	13,590	21,1
July 1, 1978	247,000	-0-	7,410	7,410	
Jan. 1, 1979	247,000	7,000	7,410	14,410	21,8
July 1, 1979	240,000	-0-	7,200	7,200	
Jan. 1, 1980	240,000	7,000	7,200	14,200	21,4
July 1, 1980	233,000	-0-	6,990	6,990	
Jan. 1, 1981	233,000	8,000	6,990	14,990	21,9
July 1, 1981	225,000	-0-	6,750	6,750	
Jan. 1, 1982	225,000	8,000	6,750	14,750	21,5
July 1, 1982	217,000	-0-	6,510	6,510	
Jan. 1, 1983	217,000	8,000	6,510	14,510	21,0
July 1, 1983	209,000	-0-	6,270	6,270	
Jan. 1, 1984	209,000	9,000	6,270	15,270	21,5
July 1, 1984	200,000	-0-	6,000	6,000	
Jan. 1, 1985	200,000	10,000	6,000	16,000	22,0
July 1, 1985	190,000	-0-	5,700	5,700	
Jan. 1, 1986	190,000	10,000	5,700	15,700	21,4
July 1, 1986	180,000	-0-	5,400	5,400	
Jan. 1, 1987	180,000	11,000	5,400	16,400	21,8
July 1, 1987	169,000	-0-	5,070	5,070	
Jan. 1, 1988	169,000	11,000	5,070	16,070	21,1
July 1, 1988	158,000	-0-	4,740	4,740	
Jan. 1, 1989	158,000	12,000	4,740	16,740	21,4
July 1, 1989	146,000	-0-	4,380	4,380	

Attachment

CITY OF NENANA GENERAL OBLIGATION SCHOOL BONDS - CONTINUED

<u>YEARS</u>	<u>Principal Balance</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Total</u>	<u>Ann Te</u>
Jan. 1, 1990	\$ 146,000	\$13,000	\$ 4,380	\$17,380	\$ 21
July 1, 1990	133,000	-0-	3,990	3,990	
Jan. 1, 1991	133,000	14,000	3,990	17,990	21
July 1, 1991	119,000	-0-	3,570	3,570	
Jan. 1, 1992	119,000	15,000	3,570	18,570	22
July 1, 1992	104,000	-0-	3,120	3,120	
Jan. 1, 1993	104,000	15,000	3,120	18,120	21
July 1, 1993	89,000	-0-	2,670	2,670	
Jan. 1, 1994	89,000	16,000	2,670	18,670	21
July 1, 1994	73,000	-0-	2,190	2,190	
Jan. 1, 1995	73,000	17,000	2,190	19,190	21
July 1, 1995	56,000	-0-	1,680	1,680	
Jan. 1, 1996	56,000	18,000	1,680	19,680	21
July 1, 1996	38,000	-0-	1,140	1,140	
Jan. 1, 1997	38,000	19,000	1,140	20,140	21
July 1, 1997	19,000	-0-	570	570	
Jan. 1, 1998	19,000	19,000	570	19,570	20

* NOTE: Assumes bond is dated and delivered on December 20, 1967

LETTER OF INTENT

Between

THE CITY OF NENANA,
YUTANA BARGE LINES, INC.

And

WATCO, INC.

In August, 1980, the Alaska Railroad (ARR) announced its intention to sell its tug and barge fleet pursuant to GSA procedures and thereby terminate its river freight transportation system on the Yukon River and its tributaries. The sale of that equipment and reduction or closure of the river freight operations at Nenana, Alaska will have severe, adverse consequences for the economies of Nenana and the many communities along the Yukon River and its tributaries unless steps are taken to preserve the river transportation system. These circumstances have impelled the City of Nenana, Alaska (Nenana) and Yutana Barge Lines, Inc. (YBL) to act as follows.

Nenana has executed a letter of intent with ARR in which Nenana and ARR have set forth their proposal and mutual intent for Nenana to establish a Port Authority and to acquire from ARR its tug and barge fleet and related equipment and to enter into a long term lease of certain lands and buildings at Nenana for the Port Authority.

YBL, an Alaska corporation, operates a commercial tug and barge service on the Yukon River and its tributaries and has operated the equipment and used the facilities described above

YDL also operates its own tug and barge fleet in conjunction with the ARR equipment and facilities. WATCO, INC., an Alaska corporation, is affiliated with YDL.

The Nenana port facilities and river transportation system currently operated by ARR and YDL provide significant employment in Nenana and its vicinity and are vital to the continued growth and development of Nenana and to the general well being of the many remote communities located along the Yukon River and its tributaries which depend upon the Nenana port facilities and river transportation system for delivery of freight and petroleum products.

Nenana, YDL and WATCO recognize their mutual interest in the transfer of the ARR equipment and facilities to Nenana and the establishment of a Port Authority by Nenana to promote commerce in and through Nenana and the Yukon River and its tributaries, to provide employment in Nenana and its vicinity, to provide income for the maintenance and growth of the Port Authority, and to enhance the general welfare of the entire Yukon River drainage.

Nenana, YDL and WATCO therefore state their mutual intent as follows:

1. It is the intent of the parties to enter into three agreements for operation of the port facilities and equipment at Nenana as follows:

- (a) An agreement for the charter by YDL of the river stock to be purchased by Nenana from ARR at an annual hire rate of \$200,000;

and certain port property at Nenana at the rate of

\$100,000 per annum; and

~~740,000~~

- (c) An agreement between WATCO and Nenana for WATCO, as the Port Authority contractor, to operate the port facilities at the rate of \$4.50 per ton of cargo loaded outbound from Nenana, but, in any event, not less than \$160,000 per annum.

2. It is the intent of Nenana, YBL, and WATCO to make the term of each of these agreements as long as possible for the following reasons:

- (a) To provide continuity of river freight service to the communities of the Yukon River drainage;

to allow long term planning and financing by Nenana and YBL for improvements, replacements of existing equipment and facilities, and growth of the port facilities; and

- (c) To contain to the extent possible the growth of tariff increases for river freight in the Yukon River drainage.

3. Nenana, YBL, and WATCO recognize that Nenana intends to finance its acquisition of the port facilities and river stock by tax-exempt bonds and that the Internal Revenue Code may impose durational limits on the agreements, which the parties will attempt to accommodate.

4. This letter is an expression of intent only, and does not create enforceable rights in Nenana, YBL, WATCO, or any third party, and imposes no duty on Nenana, YBL, or WATCO, except to work in good faith to reach the agreements suggested above.

DATED: Feb. 2, 1981

ATTEST: [Signature]

CITY OF NENANA, ALASKA

By: [Signature]
 Mayor

YUKON RIVER PORT AUTHORITY, INC.
 WATCO, INC.

By: [Signature]
 U.S. District Court

THE PRECEDING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

Alaska State Legislature

HOME ADDRESS
P.O. BOX 65
GALENA, ALASKA 99741

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
TELEPHONE 485-3733



Senate

SENATOR

John C. Sackett

SENATE FINANCE COMMITTEE

John C. Sackett

MEMORANDUM

March 25, 1981

TO: Senator Gilman
FROM: Senator Sackett *JCS*
SUBJECT: Nenana G.O. Bonds and the Municipal Bond
Bank Authority *➤*

I just met with Tom Williams, Commissioner of the Department of Revenue, and he explained why two separate bills are necessary.

First of all, the City of Nenana's G.O. Bonds would be rejected by the public if they went through the bond bank under normal conditions as their rating is too low and too risky. Consequently, we would have to back them up with general funds as proposed in the bill I introduced this morning, and in essence have the state buy the bonds rather than the normal bond market.

S.B. 137 does not address this unique need of Nenana as it only authorizes the M.B.B. Authority to sell up to 20 m. in revenue bonds, and according to Commissioner Williams, Nenana would still be rejected.

Commissioner Williams said he is available to testify before your committee, and I would appreciate it if your office would call on him as he is very knowledgeable on this subject. He has to be out of town this coming Monday and Tuesday, but will be here on Thursday and Friday of this week. I have to be in Anchorage on Friday but otherwise will be here.

Attached for your review is the entire packet that was submitted by the City of Nenana.

Letter of Intent
Between
The Alaska Railroad
and
The City of Nenana

WHEREAS, The Alaska Railroad proposes to divest itself of direct involvement in and responsibility for the operation of a freight transportation service to communities along the Tanana and Yukon Rivers, and;

WHEREAS, the City of Nenana proposes to establish a Port Authority for the purpose, among others, of operating a public port to sustain and continue the provision of freight transportation services along the Tanana and Yukon Rivers, and;

WHEREAS, the City of Nenana has requested The Alaska Railroad to sell to it the Railroad's tug and barge fleet and related equipment, and;

WHEREAS, the City of Nenana has requested The Alaska Railroad to lease to it certain lands and related buildings, structures and other improvements in order to establish the Port Authority and continue to provide a river freight transportation service.

NOW THEREFORE, it is agreed that:

The Alaska Railroad will sell to the City of Nenana its tug and barge fleets, as described on Attachment A, for the total sum of one million six hundred ninety-eight thousand dollars (\$1,698,000);

The Alaska Railroad will sell to the City of Nenana certain personal property, as described on Attachment B for the total sum of fifteen thousand four hundred fifty dollars (\$15,450);

The Alaska Railroad will lease to the City of Nenana those lands previously used by Yutana Barge Lines, plus certain other lands within its Nenana Terminal Reserve, approximating 237 acres more or less, and more specifically described in the appraisal report dated December 19, 1980, and prepared by Price and Associates Appraisers for the annual rental of \$48,620 and subject to the terms of the lease as negotiated and agreed upon, for a period of not to exceed fifty-five years;

The City of Nenana will dedicate the use of the leased lands and facilities to providing for transportation services, facilities and related industrial and commercial purposes, including operation of a public dock;

The City of Nenana will dedicate the use of the vessels and other personal property to continuing river freight transportation services.

The Alaska Railroad and City of Nenana will continue to foster the development of the intermodal capabilities of the Nenana area. To accomplish this development, it is the intent of both parties to negotiate an equitable trade of lands for the realignment of and the increase of The Alaska Railroad right-of-way, terminal areas, and the expansion of the future port area. The appraisals in effect at the time of the signing of this letter of intent shall prevail for five years from this date.

AGREED TO and signed this 16 day of January, 1981, at Anchorage, Alaska.

THE ALASKA RAILROAD

CITY OF NENANA

F. H. Jones
F. H. Jones, General Manager

John B. Coghill
John B. Coghill, Mayor

Subscribed and sworn before me this 16th day of January, 1981.

Robert L. Caper
Notary Public in and for the State of Alaska

My commission expires 10/25/83

Authority FPMR 101-45 304-2 & 101-45.304-12

Standard Form 126
February 1965
Prescribed by General
Services Administration
FPMR (41 CFR) 101-45.303

REPORT OF PERSONAL PROPERTY FOR SALE

PAGE 1 OF 3 PAGES

1. FROM (Name and address of issuing agency. Please include ZIP code) The Alaska Railroad FRA/DOT Pouch 7-2111 Anchorage, AK 99510		2. REPORT NO. SUP 81-001	3. DATE
4. FSC GROUP See below		5. TOTAL ACQUISITION COST	
6. PUBLIC MAY INSPECT PROPERTY BY CONTACTING (Name, address, telephone number. Please include ZIP code) Pouch 7-2111 Anchorage, AK 99510		7. PROPERTY LOCATED AT Yutana Barge Lines City of Nenana Nenana, AK 99760	
8. TO General Services Administration, Region 10 DPS Property Management and Disposal Service GSA Center Auburn, WA 98002 Attention: Chief, Sales Branch		9. (a) ACTIVITY WILL LOAD FOR PURCHASER <input type="checkbox"/> (1) YES <input checked="" type="checkbox"/> (2) NO	
		10. (b) EXTENT (Wholesale/Tail)	
11. SEND EXECUTED SALES DOCUMENTS TO (Name and address. Please include ZIP code) The Alaska Railroad FRA/DOT Pouch 7-2111 Anchorage, AK 99510		10. PROPERTY IS EXCHANGEABLE <input type="checkbox"/> (a) YES <input checked="" type="checkbox"/> (b) NO	11. PROPERTY IS REIMBURSABLE <input checked="" type="checkbox"/> (a) YES <input type="checkbox"/> (b) NO
12. SEND EXECUTED SALES DOCUMENTS TO (Name and address. Please include ZIP code) The Alaska Railroad FRA/DOT Pouch 7-2111 Anchorage, AK 99510		13. STATION DEPOSIT SYMBOL OR STATION ACCOUNT NUMBER 69 X 4400	
14. STATION DEPOSIT SYMBOL OR STATION ACCOUNT NUMBER 69 75 0003		15. UTILIZATION AND DONATION SCREENING REQUIREMENTS COMPLETED. PROPERTY IS AVAILABLE FOR SALE.	

BY (Signature and title)

1,600,000.00

16. PROPERTY LIST (Use continuation sheet, if necessary)

ITEM NO. (a)	ITEM NO. ASSIGNED BY GSA (b)	COMMERCIAL DESCRIPTION AND CONDITION (c)	UNIT (d)	NUMBER OF UNITS (e)	ACQUISITION COST	
					FED UNIT (f)	TOTAL (g)
1	U	FSC 1925 River tug, "Tanana", steel hull, with two deck high deckhouse, length 99 ft., breadth 35 ft., depth _____, 336 gross and 228 net tons, twin tunnel, twin screw, two 600 HP Enterprise diesel engines, two 75 KW Delco generators driven by 6-71 diesel engines. Built at Portland, Oregon, in 1953, condition code 4, more details available in 4-25-80 marine survey report ARR P/N BT010 R/A _____	Ea.	1		550,000.00
2	V	FSC 1930 ARR P/N 3G005 River oil barge "Frank Turner No. 1," steel hull, 100' length, breadth 26', depth 4.6' 105 gross/net tons, with 8' x 12' aft deck house with 30KW Caterpillar generator, built at Bellingham, WA in 1952. More details in survey report, condition code 6	Ea.	1		50,000.00

17. RECEIPT OF PROPERTY AT GSA SALES SITE OR CENTER ACKNOWLEDGED SIGNATURE AND TITLE _____ DATE _____	18. RECEIPT OF REPORT IS HEREBY ACKNOWLEDGED SIGNATURE AND TITLE _____ DATE _____
--	--

FOR GSA INTERNAL USE ONLY

19. SALE NO.	20. TYPE OF SALE	21. INSPECTION DATES	22. BID OPENING DATE AND TIME
--------------	------------------	----------------------	-------------------------------

REPORT OF PERSONAL PROPERTY FOR SALE
(CONTINUATION SHEET)

FROM (Name and address of owning agency. Please include ZIP Code)

The Alaska Railroad FRA/DOT
Pouch 7-2111, Anchorage, AK 99510

FSC GROUP

REPORT NO.

See below SUP81-001

PROPERTY LIST

ITEM NO. (a)	ITEM NO. ASSIGNED BY GSA (b)	COMMERCIAL DESCRIPTION AND CONDITION (c)	UNIT (d)	NUMBER OF UNITS (e)	ACQUISITION COST	
					PER UNIT (f)	TOTAL (g)
3		FSC 1930 ARR P/N BG006 River oil barge "Polaris No. 6", steel hull, 85.5' length, 21.5' breadth, 4.1' depth, 62 gross tons, built at Olympia, WA in 1941. More details in survey report. Condition code 6.	Ea.	1	38,000.	38,000.00
4		FSC 1930 BG015 River oil barge "No. 1", steel hull, 120' length, 29' breadth, 6.5' depth, 207 gross/net tons, 329' bbls. capacity, built in Alaska about 1945. More details in survey report. Condition code 6.	Ea.	1	30,000.	30,000.00
5		FSC 1930 BG016 River oil barge "No. 2", steel hull, 120' length, 29' breadth, 6.5' depth, 260 gross/net tons, 3291 bbls. capacity, built in Alaska in 1945. More details in survey report. Condition code 9.	Ea.	1	75,000.	75,000.00
6		FSC 1930 BG017 River oil barge "No. 3", steel hull, 175' length, 44' breadth, depth, 473 gross/net tons, built in Portland, Oregon, in 1953, more details in survey report. Condition code 8.	Ea.	1	95,000.	95,000.00
7		FSC 1930 BG018 River oil barge "No. 4", steel hull, 175' length, 44' breadth, 4' depth, 473 gross/net tons, built in Portland, Oregon, in 1953. More details in survey report. Condition code 4.	Ea.	1	175,000.	175,000.00
8		FSC 1930 BG024 River oil barge "No. 5", steel hull, 175.3' length, 44' breadth, 4.1' depth, 495 gross/net tons, built in Seattle, WA, in 1964, more details in survey report. Condition code 4.	Ea.	1	235,000.	235,000.00

REPORT OF PERSONAL PROPERTY FOR SALE
(CONTINUATION SHEET)

Name (Name and address of owning agency. Please include ZIP Code)

FSC GROUP

REPORT NO.

The Alaska Railroad FRA/DOT
Pouch 7-2111, Anchorage, AK 99510

See below

SUP 81-001

PROPERTY LIST

ITEM NO. (a)	ITEM NO. ASSIGNED BY GSA (b)	COMMERCIAL DESCRIPTION AND CONDITION (c)	UNIT (d)	NUMBER OF UNITS (e)	ACQUISITION COST	
					PER UNIT (f)	TOTAL (g)
9		FSC 1930 BG025 River oil barge "No. 6", steel hull, 175.3' length, 44' breadth, 7'4" depth, 484 net tons, built in Seattle, WA in 1971. More details in survey report. Condition code 4.	Ea.	1	300,000.	300,000.00
10		FSC 1930 BG019 World War II steel-ordnance barge "WOOB-11," 100' length, 30' breadth, 6' depth, more details in survey report. Condition code 4.	Ea.	1	40,000.	40,000.00
11		FSC 1930 BG020 World War II steel ordnance barge "WOOB-12," 100' length, 30' breadth, 6' depth. More details in survey report. Condition code 4.	Ea.	1	35,000.	35,000.00
12		FSC 1930 BG021 River oil barge "Stewart," steel hull, 140' length, 40' breadth, 7' depth. Built at Victoria, B.C., Canada, in 1948. More details in survey report. Condition code 5.	Ea.	1	75,000.	75,000.00

CONDITION AND VALUATION SURVEY

ALASKA RAILROAD RIVER TUG TANANA

Nenana, Alaska - 10 April 1980

ACTION AT THE REQUEST of Mr. Jerry Dana, Yutana Barge Lines, Nenana, Alaska, I, the undersigned surveyor, did, ~~on 10 April 1980~~ and subsequent dates, attend the Alaska Railroad River Tug TANANA for a Condition and Valuation Survey. I was accompanied on this survey, made with the vessel afloat (iced-in) at Yutana Barge Lines Yard, Nenana, Alaska, by Mr. Jerry Peters of Alaska Railroad, and Mr. Sherwood Clouse of Yutana Barge Lines.

DESCRIPTION:

Alaska Railroad River Tug TANANA, Official No. 272,122, call letters VG2995, is a steel tug built at Portland, Oregon in 1953. The vessel is operated by Yutana Barge Lines in towing on Yukon River and tributaries.

Dimensions:

The vessel is about 99' length (reg.), 35' breadth, and 7.2' depth; of 336 gross and 228 net tons.

Arrangement:

~~The hull is fitted with a stern propeller and rudder, thus permitting the tug to operate in both directions.~~

There is a two deck high steel deckhouse with wheelhouse on top. The deckhouse covers most of the length of the vessel. The engine room is located from about midship aft, with a shaft tunnel space aft of the engine room. Forward of the engine room is an auxiliary engine room and shop space. Forward of this is a fore-peak space. Each of the spaces are separated by watertight bulkheads. The deckhouse is given over to galley, two bedrooms, 15 staterooms with 17 berths, heads, and the wheelhouse on top.

On deck forward are two pushbess and an anchoring and warping winch. On deck aft of the deckhouse are carried two powerboats handled by light booms.

Machinery:

Propulsion ~~is by two 600 HP diesel engines.~~ Engines are air starting and direct reversing. There is a fuel centrifuge. There are two 75 KW IELCO generators driven by 6-71 diesel engines. There is a starting air compressor and two air receivers. The main switchboard is in the engine room aft.

Steering:

By a hydraulic system driven by a 10 HP electric motor. There are lever type steering controls. Rudders are fitted with "monkey" rudders.

Pumps:

3" x 2" Centrifugal fire pump.

Winches:

MANOBY bow deck winch. Two vertical deck capstans.

Galley:

Complete galley equipment with built-in freezer, dry stores room, refrigerator. There are two messrooms.

Wheelhouse:

Complete equipment for river navigation, including VHF transceiver, fathometer, magnetic compass, and two large searchlights on top of the wheelhouse.

CONDITIONS NOTED:

The machinery of this vessel has been operated for many years by the same Chief Engineer. It was stated that his dedication and expertise has kept the breakdowns to a minimum. Due to its age, replacement parts are difficult to obtain and modernization of the machinery seems indicated in all areas; i.e., propulsion, auxiliaries, electrical, and piping. The original machinery castings are reported leaky due to age and repeated disassembly for repairs. The electrical switchgear is likewise obsolete. The steering gear is also reported to be worn.

As far as practicable, the hull and machinery has apparently been kept in good order by the operators, but the propulsion engines are reported to be due for overhaul.

The bottom is reported to be in deteriorated condition from vibration and cavitation.

The interior accommodations are worn and need refurbishing of such things as deck ladders, floor coverings, furniture, etc. The heating system is also antiquated.

A sister ship, the YUKON, was recently burned, totally gutting the machinery and accommodation spaces. The ability to control the fire was apparently hampered by the chimney effect of interior passageways, and accessibility and arrangement of firefighting (pumping) equipment. With an engine room fire, the firefighting capability (on the sister ship) was apparently made ineffective by involvement of the pumping equipment. It is apparent, then, that a survey of the firefighting arrangements and equipment should be made to the end that the above conditions will be corrected, and a fire in any area can be isolated and firefighting equipment brought to bear on the fire. The closing off of fuel piping to prevent feeding a fire should be provided for. Closures, such as passage and ladderway doors, with automatic closing to confine spread of fire should be installed.

GENERAL CONDITIONS:

This survey sets forth the condition of the vessel (including hull, machinery, equipment, fittings and gear) to the best of the surveyor's ability, without the removal of bulkheads, panelings, ceiling or other portions of her structure, and without the opening up of her machinery and auxiliaries for internal examination. It represents the honest and unbiased opinion of the surveyor, but, in submitting this survey, it is understood by all parties concerned that such survey is not to be considered a guarantee of its accuracy, nor does it create any liability on the part of the surveyor arising out of the reliance on information contained in such survey.

It is understood that all outfitting materials, such as tools, fittings, bedding, lube oil equipment, are the property of Yukon Barge Lines with an estimated value at today's prices of about \$50,000.

Also, Yutana Barge Lines has done the following large scale repairs:

About 1958, new propellers/shafts/outboard bearings,
new knuckles estimated cost \$50,000.00

Estimated Replacement Cost: \$1,250,000.00

Estimated Present Value: \$450,000.00
+ 100,000.00

\$ 550,000.00

Without prejudice.

EDWIN E. LINDBECK, SURVEYOR

Enclosures:

13 Photographs

CONDITION AND VALUATION SURVEY

ALASKA RAILROAD OIL BARGE "FRANK TURNER NO. 1"

Kenena, Alaska - 10 April 1980

ACTING AT THE REQUEST OF Mr. Jerry Dana, Yutana Barge Lines, Kenena, Alaska, I, the undersigned surveyor, did, on 10 April 1980 and subsequent dates, attend the Alaska Railroad Oil Barge "FRANK TURNER NO. 1" for a Condition and Valuation Survey. I was accompanied on this survey, made with the barge on blocks ashore at Yutana Barge Lines Yard, Kenena, Alaska, by Mr. Jerry Peters of Alaska Railroad, and Mr. Sherwood Clouse of Yutana Barge Lines.

DESCRIPTION:

Alaska Railroad Barge FRANK TURNER NO. 1. Official Number 273,812, is a light steel fuel barge built in Bellingham, Washington in 1952.

The barge is about 100' length, 26' breadth, 4.6' depth, and 105 gross/net tons. The ends are raked all across. The deck is covered with light planks.

There is a small deckhouse (about 8' x 12') aft with a CATERPILLER 30 KW generator.

CONDITIONS NOTED:

Barge was not opened and gas freed for inspection of interior.

Vacool is out of certificate. CERTIFICATE EXPIRES 5-19-82.

The bow has a severe indent to starboard of the centerline, about 3' x 5' to 8' depth, and extending down on the rake.

Port and starboard bow corners are workworn and set-in.

The starboard guard is damaged forward of the #1 bitt, at 6' aft of the bitt, and at two places at midlength. Port guard has similar damage.

Hull sides seem fair and undamaged.

The aft starboard bits are torn off.

Exterior is rusty, but wastage of plate is not apparently severe.

Internal piping reported to need replacing or repair.

Old generator needs removal as unneeded.

Two bunker tanks below aft need removal.

proper pump reported below deck.

CONDITIONS NOTED:

This survey sets forth the condition of the vessel to the best of the surveyor's ability, without the removal of portions of her structure, and without the opening up of her machinery for internal examination. It represents the honest and unbiased opinion of the surveyor, but, in submitting this survey, it is understood by all parties concerned that such survey is not to be considered a guarantee of its accuracy, nor does it create any liability on the part of the surveyor arising out of the reliance on information contained in such survey.

Estimated Replacement Cost:

\$225,000.00

Estimated Present Value:

\$50,000.00

Without prejudice.

EDWIN E. LINDBECK, SURVEYOR

Enclosures:

4 Photographs

CONDITION AND VALUATION SURVEY

ALASKA RAILROAD OIL BARGE "POLARIS NO. 6"

Kenana, Alaska - 10 April 1980

ACTING AT THE REQUEST OF Mr. Jerry Dana, Yutana Barge Lines, Kenana, Alaska, I, the undersigned surveyor, did, on 10 April 1980 and subsequent dates, attend the Alaska Railroad Oil Barge "POLARIS NO. 6" for a Condition and Valuation Survey. I was accompanied on this survey, made with the barge ashore on blocks at Yutana Barge Lines Yard, Kenana, Alaska, by Mr. Jerry Peters of Alaska Railroad, and Mr. Sherwood Clouse of Yutana Barge Lines.

DESCRIPTION:

Alaska Railroad Oil Barge POLARIS NO. 6, Official Number 175,265, is a steel barge built in Olympia, Washington in 1941. Formerly under U.S. Department of Defense, Aeronautical Administration.

The barge is about 85.5' length, 21.5' breadth, 4.1' depth; of 62 gross tons.

The deck edge guard is formed by a welded on 3" pipe.

There is no internal piping in this barge.

CONDITIONS NOTED:

Barge was not gas freed and opened for inspection. No reported severe hull damage except as noted below:

Starboard deck edge and pipe guard damaged and workworn all along.

Damage at bow and port bow corner.

Damage to chine on port side.

2 mooring bits need repair. Aft port bitt off.

Oil discharge containment needed around manifold.

Estimate of above repairs needed is \$3,000.00

Exterior hull is rusty but not apparently significantly wasted.

VESSEL IS OUT OF CERTIFICATE. MUST BE RE-INSPECTED.

GENERAL CONDITIONS:

This survey sets forth the condition of the vessel to the best of the surveyor's ability. It represents the honest and unbiased opinion of the surveyor, but, in submitting this survey, it is understood by all parties concerned that such survey is not to be considered a guarantee of its accuracy, nor does it create any liability on the part of the surveyor arising out of the reliance on information contained in such survey.

Estimated Replacement Cost:

\$195,000.00

Estimated Present Value:

\$38,000.00

Without prejudice.

Edwin E. Lindbeck, Surveyor

Enclosures:

5 Photographs

CONDITION AND VALUATION SURVEY

ALASKA RAILROAD OIL BARGE NO. 1

Kenana, Alaska - 10 April 1980

ACTING AT THE REQUEST OF Mr. Jerry Dana, Yutana Barge Lines, Kenana, Alaska, I, the undersigned surveyor, did, on 10 April 1980 and subsequent dates, attend the Alaska Railroad Oil Barge "NO. 1" for a Condition and Valuation Survey. I was accompanied on this survey, made with the barge on blocks ashore at Yutana Barge Lines Yard, Kenana, Alaska, by Mr. Jerry Peters of Alaska Railroad, and Mr. Sherwood Clouse of Yutana Barge Lines.

DESCRIPTION:

Alaska Railroad Oil Barge No. 1, Official Number . is a lightly built oil barge built about 1945 in Alaska.

The barge is about 120' length, 29' breadth, 6.5' depth; of 207 gross/net tons, and about 3291 bbls. capacity.

The barge is compartmented into 6 cargo compartments with raked bow and stern compartments.

The deck edge is formed by a curved deck plate.

There are flush covers to compartments. These have not been fitted with securing devices.

CONDITIONS NOTED:

This barge was not opened and gas-freed for internal inspection.

It is reported that there is a large residue of hardened top heavy fuel oil in the cargo tanks. This has defied all efforts to remove, and the barge has been out of service for some time. There is no cargo oil handling equipment.

There are reported to be bulkhead cracks and cracks in chime welds incipient in this lightly built hull.

C&V Survey Alaska Railroad Oil Barge No. 1

10 April 1980

There are two small holes in starboard side at about 10' aft of bow, 2-1/2" down from the deck and about 2' x 1' in area.

The guards on deck edge are damaged all along both sides. Sides and deck are work-worn and indented.

Exterior hull is rusted but not apparently severely wasted.

VESSEL IS OUT OF CERTIFICATE.

GENERAL CONDITIONS:

This survey sets forth the condition of the vessel to the best of the surveyor's ability. It represents the honest and unbiased opinion of the surveyor, but, in submitting this survey, it is understood by all parties concerned that such survey is not to be considered a guarantee of its accuracy, nor does it create any liability on the part of the surveyor arising out of the reliance on information contained in such survey.

Estimated Replacement Cost: \$250,000.00

Estimated Present Value \$30,000.00

Without prejudice.

Edwin E. Lindbeck, Surveyor

Enclosed:

6 Photographs

CONDITION AND VALUATION SURVEY

ALASKA RAILROAD OIL BARGE "NO. 2"

Kenapa, Alaska - 10 April 1980

ACTING AT THE REQUEST OF Mr. Jerry Dora, Yutana Barge Lines, Kenapa, Alaska, I, the undersigned surveyor, did, on 10 April 1980 and subsequent dates, attend the Alaska Railroad Oil Barge "NO. 2" for a Condition and Valuation Survey. I was accompanied on this survey, made with the barge on blocks ashore at Yutana Barge Lines Yard, Kenapa, Alaska, by Mr. Jerry Peters of Alaska Railroad and Mr. Sherwood Clouse of Yutana Barge Lines.

DESCRIPTION:

Alaska Railroad Oil Barge NO. 2, Official No. 009399, is a lightly built oil barge built about 1945 in Alaska. The barge is about 120' length, 29' breadth, 6.5' depth; and 260 gross/net tons and about 3291 bbls. capacity.

The barge is compartmented into six cargo compartments with raked bow and stern compartments. At the stern are two skegs and a center push knee.

There is a manifold and diesel engine driven pumping equipment with gages and hoses for cargo transfer.

Along the sides are ullage trunks with VAC-REL vent valves and screened openings.

CONDITIONS NOTED:

Barge had not been gas-freed and opened for inspection.

Skegs are work-worn and damaged at corner.

The hull sides and bottom are work-worn and indented, notably sides at ends in way of rakes, where contacted by tug.

Interrails in forward and aft rakes are noted to be in need of repair.

CERTIFICATE EXPIRES 5-21-81. SCHEDULED FOR RE-INSPECTION.

Cracking of chines has been an incipient problem and there are reported to be internal cracks in the bulkheads.

Estimated cost to make hull repairs is \$20,000.

It is understood the hatches, piping, pumping equipment, was installed in the past by Yutana Barge Lines. Estimated Cost \$35,000.

Due to the lightness of original construction, age, and extensive repairs needed, the barge is believed to be of marginal further usability.

GENERAL CONDITIONS:

This survey sets forth the condition of the vessel (including hull, machinery, equipment, fittings and gear) to the best of the surveyor's ability, without the removal of bulkheads, panelings, ceiling or other portions of her structure, and without the opening up of her machinery and auxiliaries for internal examination. It represents the honest and unbiased opinion of the surveyor, but, in submitting this survey, it is understood by all parties concerned that such survey is not to be considered a guarantee of its accuracy, nor does it create any liability on the part of the surveyor arising out of the reliance on information contained in such survey.

Estimated Replacement Cost:	\$300,000.00
Estimated Present Value:	\$40,000.00 (Not including Yutana improvements)
	+ 35,000.00
Without prejudice.	\$ 75,000.00

Edwin E. Lindbeck, Surveyor

Enclosures:

7 Photographs

CONDITION AND VALUATION SURVEY

ALASKA RAILROAD OIL BARGE "NO. 3"

Kenana, Alaska - 10 April 1980

ACTING AT THE REQUEST OF Mr. Jerry Lana, Yutana Barge Lines, Kenana, Alaska, I, the undersigned surveyor, did, on 10 April 1980 and subsequent dates, attend the Alaska Railroad Oil Barge "NO. 3" for a Condition and Valuation Survey. I was accompanied on this survey, made with the barge afloat (iced in) at Yutana Barge Lines, Kenana, Alaska, by Mr. Jerry Peters of Alaska Railroad, and Mr. Sherwood Clouse of Yutana Barge Lines.

DESCRIPTION:

Alaska Railroad Barge NO. 3, Official No. 009,449, is a steel oil barge built at Portland, Oregon in 1953. The barge is about 175' length, 44' breadth, _____ depth, and of 473 gross and net tons.

The barge is compartmented into _____ cargo compartments with raked bow and stern compartments. At the stern are push points, and at the bow are push knees.

There is a manifold and pumping equipment with gages and hoses at the aft deck.

Along the sides are ullage trunks with VAC-RFL vent valves and screened openings.

CONDITIONS NOTED:

At the time of the survey, the upper parts of sides and ends were visible. The interior compartments had not been gas-freed and opened for inspection.

The hull is reported to be in good order except as noted hereafter:

The vessel was in a fire about ten years ago, resulting in the after half of the deck being severely warped and rippled. Associated framing is also damaged. The remainder of the deck forward is workworn and indented, and severely indented in two locations about 5' x 10'.

The sides are workworn and lightly indented.

The guard on the starboard side has a deep indent and crack by the #2 cleat and a deep notch about 4' aft of the #2 cleat.

The aft starboard push point is set-in and hull adjacent set-in.

The estimated cost for repairs to deck, aft push point, and guard is \$70,000.

The vessel is not suitable for its intended use as a cargo fuel barge in its present condition; i.e., damaged deck.

Except as noted above, the vessel is in satisfactory condition and, while due for re-preservation, is not apparently significantly wasted.

VESSEL IS OUT OF CERTIFICATE, SINCE 5-4-79.

GENERAL CONDITIONS:

This survey sets forth the condition of the vessel (including hull, machinery, equipment, fittings and gear) to the best of the surveyor's ability, without the removal of bulkheads, panelings, ceiling or other portions of her structure, and without the opening up of her machinery and auxiliaries for internal examination. It represents the honest and unbiased opinion of the surveyor, but, in submitting this survey, it is understood by all parties concerned that such survey is not to be considered a guarantee of its accuracy, nor does it create any liability on the part of the surveyor arising out of the reliance on information contained in such survey.

Estimated Replacement Cost: \$525,000.00

Estimated Present Value: \$95,000.00

Without prejudice.

Edwin E. Lindbeck, Surveyor

Enclosures:

4 Photographs

CONDITION AND VALUATION SURVEY

ALASKA RAILROAD OIL BARGE "NO. 4"

Kenana, Alaska - 10 April 1980

ACTING AT THE REQUEST OF Mr. Jerry Dana, Yutana Barge Lines, Kenana, Alaska, I, the undersigned surveyor, did, on 10 April 1980 and subsequent dates, attend the Alaska Railroad Oil Barge "NO. 4" for a Condition and Valuation Survey. I was accompanied on this survey, made with the barge afloat (iced-in) at Yutana Barge Lines, Kenana, Alaska; by Mr. Jerry Peters of Alaska Railroad, and Mr. Sherwood Clouse of Yutana Barge Lines.

DESCRIPTION:

Alaska Railroad Oil Barge NO. 4. Official No. 009,498, is a steel oil barge built at Portland, Oregon in 1953.

The barge is about 175' length, 44' breadth, 4' depth; and of 473 gross and net tons.

The barge is compartmented into six cargo compartments with raked bow and stern compartments. At the stern are push points and at the bow are push knees.

There is a manifold and pumping equipment with gages and hoses at the aft deck.

Forward is a SKAGIT winch with double drum driven by GM 4-71 diesel engine.

Along the sides are ullage trunks with VAC-REL vent valves and screened openings.

CONDITIONS NOTED:

At the time of the survey the upper parts of sides were visible, and the interior compartments had not been gas-freed and opened for inspection.

Full reported to be in good order except as noted hereafter:

Starboard bow side plating in area of the draft marks is rippled.

C&Y Survey Alaska Railroad Oil Barge NO. 4

10 April 1980

CERTIFICATE EXPIRES 5-3-81. WILL REQUIRE RE-INSPECTION

Sternlog is set-in at the push points in two areas about 6' x 2' x 3'. The sternlog otherwise is workworn.

Hull sides and decks are workworn slightly.

The following is reported to be equipment belonging to Yutana Barge Lines:

SKAGIT double drum winch - \$10,000.00

GENERAL CONDITIONS:

This survey sets forth the condition of the vessel (including hull, machinery, equipment, fittings and gear) to the best of the surveyor's ability, without the removal of bulkheads, panelings, ceiling or other portions of her structure, and without the opening up of her machinery and auxiliaries for internal examination. It represents the honest and unbiased opinion of the surveyor, but, in submitting this survey, it is understood by all parties concerned that such survey is not to be considered a guarantee of its accuracy, nor does it create any liability on the part of the surveyor arising out of the reliance on information contained in such survey.

Estimated Replacement Cost	\$525,000.00
Estimated Present Value	\$165,000.00
	+ 10,000.00
	\$175,000.00

Without prejudice.

Edwin E. Lindbeck, Surveyor

Enclosures:

5 Photographs

CONDITION AND VALUATION SURVEY

ALASKA RAILROAD OIL BARGE "NO. 5"

Nenana, Alaska - 10 April 1980

ACTING AT THE REQUEST OF Mr. Jerry Dana, Inzana Barge Lines, Nenana, Alaska, I, the undersigned surveyor, did, on 10 April 1980 and subsequent dates, attend the Alaska Railroad Oil Barge "NO. 5" for a Condition and Valuation Survey.

As it was not possible to view the barge at its wintering over location of Kotlik, Alaska, this survey report is based on the reported conditions and characteristics.

DESCRIPTION:

Alaska Railroad Oil Barge NO. 5, Official No. 295,687, is a steel hull oil barge built at Seattle, Washington in 1964.

The barge is about 175.3' length, 44' breadth, 4.1' depth; and of 495 gross and net tons.

CONDITIONS NOTED:

This survey is based on the reported conditions and characteristics as it was not possible to view the barge at its wintering over location of Kotlik, Alaska.

The barge is reported to be in good order with no notable defects.

CERTIFICATE EXPIRES 5-3-81, WILL REQUIRE RE-INSPECTION.

GENERAL CONDITIONS:

This survey sets forth the condition of the vessel as reported and without examination. In submitting this survey, it is understood by all parties concerned that such survey is not to be considered a guarantee of its accuracy, nor does it create any liability on the part of the surveyor arising out of the reliance on information contained in such survey.

The pushknives are workworn but intact, and appear fully effective.

Piping and tank vents are in apparent good order.

Preservation of exterior hull is by black paint on above-water portion. Hull is due for represervation. Underwater hull has little or no paint, and surfaces are rusty but not loose rust. The bottom is lightly workworn and indented.

The interior of the cargo tanks is bare steel — not noted to be rusting. The preservation of interior of forward and aft compartments is good.

It was reported that the cost of hull repairs currently in progress is \$10,000.

It is this surveyor's opinion that, on completion of repairs in progress, the vessel will be in suitable condition to carry out its intended purpose.

CERTIFICATE EXPIRES 4-30-82.

GENERAL CONDITIONS: This survey sets forth the condition of the vessel to the best of the surveyor's ability without the removal of bulkheads or other portions of her structure, and without the opening up of her machinery for internal examination. It represents the honest and unbiased opinion of the surveyor, but, in submitting this survey, it is understood by all parties concerned that such survey is not to be considered a guarantee of its accuracy, nor does it create any liability on the part of the surveyor arising out of the reliance on information contained in such survey.

It is reported that the following costs were paid by Yutana Barge Lines in placing into service and operating the barge:

Tow to Honana from Seattle	\$75,000.00
Installation of fuel handling equipment	\$25,000.00

Estimated Replacement Cost: \$625,000.00

Estimated Present Value: \$200,000.00 + ~~\$100,000.00~~ = \$300,000.00

• Value less costs paid by Yutana Barge Lines

Without prejudice.

Edwin E. Lindbeck, Surveyor

Enclosures:
6 Photographs

CONDITION AND VALUATION SURVEY

ALASKA RAILROAD BARGE "WOOB-11"

Kenana, Alaska - 10 April 1980

ACTING AT THE REQUEST OF Mr. Jerry Dana, Yutana Barge Lines, Kenana, Alaska, I, the undersigned surveyor, did, on 10 April 1979 and subsequent dates, attend the WOOB-11 for a Condition and Valuation Survey. I was accompanied on this survey, made with the barge ashore at Yutana Barge Lines Yard, Kenana, Alaska, by Mr. Sherwood Clouse of Yutana Barge Lines.

DESCRIPTION:

WOOB-11 is a World War II steel ordnance barge, assembled in the field type. The barge is of square corner construction with raked ends and bolted assembly. There is a double bottom over the floor beams. There are heavy mooring bitts. The barge is about 100' length, 30' breadth, 6' depth.

CONDITIONS NOTED:

Barge was not opened up for inspection internally. The external preservation is satisfactory, though due for represervation. No severe hull damages were noted.

It is reported that the barge does not tow well and is heavy, making for an inefficiently handled barge. Also, the metal in the barge is not weldable with materials available to Yutana workmen.

Except as noted above, the barge is apparently suitable for use as a deck cargo barge or incidental use such as a crane platform.

VESSEL IS OUT OF CERTIFICATE.

GENERAL CONDITIONS: This survey sets forth the condition of the vessel to the best of the surveyor's ability. It represents the honest and unbiased opinion of the surveyor, but, in submitting this survey, it is understood by all parties concerned that such survey is not to be considered a guarantee of its accuracy, nor does it create any liability on the part of the surveyor arising out of the reliance on information contained in such survey.

Estimated Replacement Cost: \$250,000.00

Estimated Present Value: \$40,000.00

Without prejudice.

Edwin E. Lindbeck, Surveyor

Enclosure: 1 Photograph

CONDITION AND VALUATION SURVEY

ALASKA RAILROAD BARGE "WOOB-12"

Nenana, Alaska - 10 April 1980

ACTING AT THE REQUEST OF Mr. Jerry Dana, Yutana Barge Lines, Nenana, Alaska, I, the undersigned surveyor, did, on 10 April 1979 and subsequent dates, attend the WOOB-12 for a Condition and Valuation Survey.

As it was not possible to view the barge at its wintering over location of Calena, Alaska, this survey report is based on the reported conditions and characteristics.

DESCRIPTION:

WOOB-12 is a World War II steel ordnance barge, assembled in the field type. The barge is of square corner construction with raked ends and bolted assembly. There is a double bottom over the floor beams. There are heavy mooring bitts.

The barge is about 100' length, 30' breadth, 6' depth.

CONDITIONS NOTED:

This survey is based on the reported conditions and characteristics as it was not possible to view the barge at its wintering over location of Calena, Alaska.

The barge is reported to be in good order with no notable defects. It is reported the barge was sunk and later pumped out. Presumably there may be more internal corrosion therefrom.

It is reported that the barge does not tow well and is heavy, making for an inefficiently handled barge. Also, the metal in the barge is not weldable with materials available to Yutana workmen.

Except as noted above, the barge is apparently suitable for use as a deck cargo barge or incidental use such as a crane platform.

VESSEL IS OUT OF CERTIFICATE.

GENERAL CONDITIONS:

This survey sets forth the condition of the vessel as reported and without examination. In submitting this survey, it is understood by all parties concerned that such survey is not to be considered a guarantee of its accuracy, nor does it create any liability on the part of the surveyor arising out of the reliance on information contained in such survey.

Estimated Replacement Cost: \$250,000.00

Estimated Present Value: \$35,000.00

Without prejudice.

Edwin E. Lindbeck, Surveyor

CERTIFICATE EXPIRES 5-3-51. WILL REQUIRE RE-INSPECTION.

The deck is lightly set down between frames.

It is reported the barge has a tendency to develop transverse hull cracks in the mid body.

GENERAL CONDITIONS:

This survey sets forth the condition of the vessel (including hull, machinery, equipment, fittings and gear) to the best of the surveyor's ability, without the removal of bulkheads, panelings, ceiling or other portions of her structure, and without the opening up of her machinery and auxiliaries for internal examination. It represents the honest and unbiased opinion of the surveyor, but, in submitting this survey, it is understood by all parties concerned that such survey is not to be considered a guarantee of its accuracy, nor does it create any liability on the part of the surveyor arising out of the reliance on information contained in such survey.

It is reported that the barge is of foreign manufacture and on an exception from the Jones Act. Conditions of this exception are not known, but a purchaser should have clarification.

Estimated Replacement Cost: \$325,000.00

Estimated Present Value: \$75,000.00

Without prejudice:

Edwin E. Lindbeck, Surveyor

Enclosures:

3 Photographs

Standard Form 126
February 1965
Prescribed by General
Services Administration
FPMR (41 CFR) 101-45.303

REPORT OF PERSONAL PROPERTY FOR SALE

1. FROM (Name and address of owning agency. Please include ZIP code)		2. REPORT NO.	3. DATE
The Alaska Railroad, FRA/DOT Pouch 7-2111 Anchorage, AK 99510		SUP 81-001	
4. PUBLIC MAY INSPECT PROPERTY BY CONTACTING (Name, address, telephone number. Please include ZIP code)		4. FSC GROUP	5. TOTAL ACQUISITION COST
Pouch 7-2111 Anchorage, AK 99510		See below	
6. TO (Name and address of agency to which property is being transferred. Please include ZIP code)		7. PROPERTY LOCATED AT	
General Services Administration, Region Property Management and Disposal Service CSX Center Auburn, WA 98002 Attention: Chief, Sales Branch		Yutana Barge Lines City of Nenana Nenana, AK 99760	
8. SEND EXECUTED SALES DOCUMENTS TO (Name and address. Please include ZIP code)		9. PROPERTY IS EXCHANGEABLE/SALE	
The Alaska Railroad, FRA/DOT Pouch 7-2111 Anchorage, AK 99510		<input type="checkbox"/> (a) YES <input type="checkbox"/> (b) NO	
		10. PROPERTY IS SURVEILLANCE	
		<input type="checkbox"/> (a) YES <input type="checkbox"/> (b) NO	
		11. REPORT PROCEEDS TO (Appropriation, fund, symbol and title)	
		69X4400	
		12. STATION REPORT SYMBOL OR STATION ACCOUNT NUMBER	
		69-25-0003	

13. UTILIZATION AND DONATION SCREENING REQUIREMENTS COMPLETED. PROPERTY IS AVAILABLE FOR SALE. BY (Signature and title)

14. PROPERTY LIST (Use continuation sheet, if necessary)

ITEM NO. (a)	ITEM NO. ASSIGNED BY CSA (b)	COMMERCIAL DESCRIPTION AND CONDITION (c)	UNIT (d)	NUMBER OF UNITS (e)	ACQUISITION COST	
					PER UNIT (f)	TOTAL (g)
1		Grinder, electric, hand ARR P/N 11094 Condition Code 4	ea.	1	80.00	80.0
2		Grinder, electric, pad, 8" ARR P/N 11044 Condition Code 4	ea.	1	285.00	285.0
3		Grinder, electric, too post ARR P/N 11045 Condition Code 4	ea.	1	260.00	260.0
4		Grinder, electric, pad, 3 H.P. ARR P/N 11127 Condition Code 4	ea.	1	275.00	275.0
5		Press bench, hand, 5 ton ARR P/N 11080 Condition Code 4	ea.	1	200.00	200.0

17. RECEIPT OF PROPERTY AT CSA SALES SITE OR CENTER ACKNOWLEDGED	18. RECEIPT OF REPORT IS HEREBY ACKNOWLEDGED
SIGNATURE AND TITLE	SIGNATURE AND TITLE
DATE	DATE

FOR CSA INTERNAL USE ONLY

19. SALE NO.	20. TYPE OF SALE	21. INSPECTION DATED	22. BID OFFERING DATE AND TIME
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REPORT OF PERSONAL PROPERTY FOR SALE
(CONTINUATION SHEET)

FROM (Name and address of owning agency. Please include ZIP Code)
The Alaska Railroad, FRA/DOJ
Pouch 7-2111, Anchorage, AK 99510

FSC GROUP

See below SUP 81-001

REPORT NO.

PROPERTY LIST

ITEM NO. (a)	ITEM NO. ASSIGNED BY GSA (b)	COMMERCIAL DESCRIPTION AND CONDITION (c)	UNIT (d)	NUMBER OF UNITS (e)	ACQUISITION COST	
					PER UNIT IN	TOTAL IN
6		Safe, metal, combination, 24" X 26" X 42" ARR P/N 11147 Condition Code 4	ea.	1	200.00	200.00
7		Saw, table, DeWalt, Size 4 ARR P/N 11100 Condition Code 4	ea.	1	400.00	400.00
8		Saw, hack, electric ARR P/n 11139 Condition Code 4	ea.	1	150.00	150.00
9		Saw, power, electric, DeWalt, 5 H.P. ARR P/N 13207 Condition Code 4	ea.	1	350.00	350.00
10		Shaper, electric, Atlas Model 78 ARR P/N 13079 Condition Code 4	ea.	1	400.00	400.00
11		Drill press ARR P/N 13080 Condition Code 5	ea.	1	100.00	100.00
12		Crawler D7 Cat, (no blade or boom) Model 548 ARR P/N 13215 Condition Code 9	ea.	1	3000.00	3000.00
13		Crawler Crane, Bucyrus Erie, 45 Ton ARR P/N C0047 Condition Code 8 (Located at Galena, Alaska)	ea.	1	9150.00	9150.00
14		Lathe, metal ARR P/N 13078 Condition Code 4	ea.	1	600.00	600.00
					TOTAL	15,450.00

RESOLUTION NO. 80-10

WHEREAS; The City of Nenana is the major river port entry for all the communities on the Yukon River Drainage and;

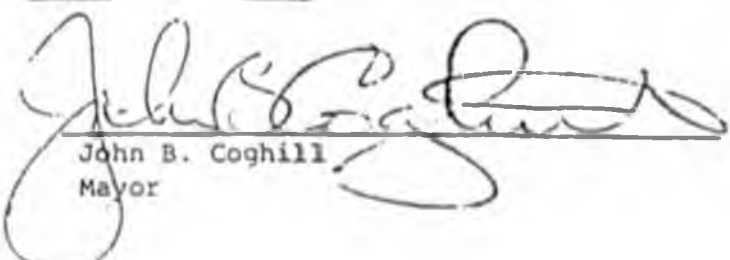
WHEREAS; The Rail, Highway connections to this trade area has been located at Nenana since 1920 and;

Whereas; The U.S. Government has expressed its intent to dispose of its interest in the Barges and Tugs operating on this drainage by a Public Sale regardless as to where they may be used and;

Whereas; The City of Nenana feels that the interest of all the communities on the Yukon River system as well as the economy of Nenana would suffer irreparable harm if such action is allowed to happen by the G.S.A. of the U.S. Government.

Now therefor be it resolved that the Common Council of the City of Nenana hereby authorize the Mayor, or his designated representative, to negotiate the purchase and transfer of all its floating stock, docks, and adjoining land, and related equipment from the Alaska Railroad to the City of Nenana.

ADOPTED by the City Council of the City of Nenana, Alaska this 30 day of AUGUST, 1980 by a vote of 4 for and 0 against.


John B. Coghill
Mayor

Introduced: 8/30/80

Adopted: 8/30/80

Attest: Kathie Show
City Clerk

ORDINANCE NO. 81-2

AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS IN THE AMOUNT OF \$2,500,000.00 TO FUND PURCHASE FROM THE ALASKA RAILROAD, DEPARTMENT OF TRANSPORTATION, UNITED STATES OF AMERICA, OF THE PORT FACILITIES AND RIVER STOCK OF THE ALASKA RAILROAD LOCATED AND BASED AT NENANA, AND PROVIDING FOR A SPECIAL ELECTION.

BE IT ENACTED BY THE CITY OF NENANA, ALASKA:

1. The City Council of the City of Nenana, Alaska finds that the existence and continued operation of the port facilities of Nenana are essential to the economic health and growth of the City.
2. The City Council finds that the Alaska Railroad plans or has been directed to dispose of the port facilities and river stock at Nenana, creating a serious and substantial risk that the port will cease to exist.
3. The City Council finds that it has authority under Alaska law to create, own, operate and manage a port facility, and that ownership and operation of the port facility by the City will be in the best interests of the citizens of the City and the public at large.
4. The City Council finds that the City has the resources and capability to operate and manage the port facilities.
5. The City Council finds that the purchase price negotiated between the City and the Alaska Railroad for the port facilities and river stock, Two Million Five Hundred Thousand Dollars, is a fair and reasonable price for the facilities and river stock to be purchased.
6. The City Council finds that lessees exist who are willing to lease portions of the port facilities and river stock to provide common carrier services from the port facilities, and that rent paid under such leases will be adequate to meet the obligations the City will incur in financing the purchase of the port facilities and river stock.
7. The City Council therefore authorizes and approves the issuance of general obligation bonds in the total amount of \$2,500,000.00, payable from lease revenues and upon the full faith and credit of the City, to bear interest at a maximum rate of ten percent per annum or such lower rate as may be acceptable to the purchaser, with interest accruing from such date as the City Council may provide.

8. The question of whether the general obligation bonds will issue shall be put to the city voters at a special election on Tuesday, February 24, 1981, as the following ballot question:

Shall general obligation bonds in the amount of \$2,500,000.00 be issued by the City of Nenana, Alaska, for the purpose of purchasing the port facilities, barges and tugs of the Alaska Railroad?

9. The City Clerk of the City of Nenana, Alaska shall cause notice of the special election to be given in the manner required by Alaska Statutes and the Nenana Code of Ordinances, and shall cause notice of the total existing bonded indebtedness of the City of Nenana, Alaska to be published at least once a week for three consecutive weeks, with the date of first publication at least twenty days prior to the special election.

CITY OF NENANA, ALASKA

JOHN B. COGHILL, MAYOR

INTRODUCED: January 23, 1981

ADOPTED: _____

ATTEST: _____
City Clerk

(Seal)

This "Letter of Intent" was taken that afternoon to Dave Rose of the Alaska Municipal Bond Bank, where a sequence of events was arrived at which would provide for the securing of 2.5 million dollars financed by primary source (general obligation) bonds. Revenue bonds had been considered, but with the prevailing high interest rates, revenue issues were expected to approximate the 30 Utility Index (10.84%), while general obligation bond interest rates would approximate the 20 Bond Index (9.90%). A one percent interest differential applied to 2.5 million dollars could mean the difference between an economically feasible project and one that wouldn't show a positive cash flow.

So structured, the City of Nenana began the procedures necessary to obtain local voter approval of the issuance of 2.5 million dollars in general obligation bonds. The ordinance authorizing this issuance of general obligation bonds was introduced on January 23, 1981. A public hearing and adoption of the ordinance was held on February 2, 1981, with the public election on the bond issuance scheduled for February 24, 1981.

To strengthen its position with potential investors in the bonds to be issued, the City of Nenana pursued a "Letter of Intent" with the current operator of the commercial tug and barge service on the Tanana and Yukon Rivers. Such a "Letter of Intent" to establish a "Net" or "Dry" Lease was signed by Mayor Jack Coghill and Larry Shelver (President of Yutana Barge Lines and WATCO, Inc.) on February 2, 1981.

The main goal of the City of Nenana's efforts to obtain control of the Railroad's interest in the river tug operation is to continue the existing river transportation services. The Nenana port facilities and river transportation system provide significant employment in Nenana and its vicinity. They are vital to the continued growth and development of Nenana, and to the general well being of the many remote communities located along the Yukon River and its tributaries, which depend upon the Nenana port facilities and river transportation system for delivery of freight and petroleum products.

Prepared by Steve Bainbridge February 12, 1981



arguably a ten year contract - not a good contract
Contract Expired w/ Yutana
Barge Line - same as last year
Sale of Barges - use the money for port facility →
Proposal in formal form
Apr 6-10 - Share in construction and hold equity in project →

THE PRECEDING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.