

COMMITTEE REPORT
SENATE

FURTHER:

Date: _____

Mr. President:

The Committee on _____ has had _____

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation *1 of Fiscal Note*
6/1/83 S.C.C.
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Joe Josephson

CHAIRMAN

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 266
Title Increasing bond authorization for international airport revenue bonds
Requested by Senate Finance Committee Date June 1, 1983

II. FISCAL DETAIL

Agency Affected Department of Transportation and Public Facilities
Program Category Affected Transportation
BRU, Program, or Subprogram(s) Affected Anchorage International Airport
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES	0	0				
200 TRAVEL	0	0				
300 CONTRACTUAL	0	0				
400 COMMODITIES	0	0				
500 EQUIPMENT	0	0				
600 LAND & STRUCTURES	0	0				
700 GRANTS, CLAIMS, ETC.	0	0				
TOTAL	0	0				

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0				
FEDERAL FUNDS	0	0				
OTHER (Specify Fund Source)	0	0				

POSITIONS

FULL TIME	0	0				
PART TIME	0	0				
TEMPORARY	0	0				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE June 1, 1983 PREPARED BY Jenn Sackett
AGENCY Senate Finance Committee
PHONE 3753
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

Introduced: 4/19/83
Referred: State Affairs and
Finance

1 IN THE SENATE BY THE TRANSPORTATION COMMITTEE

2 SENATE BILL NO. 266

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act increasing the bond authorization for inter-
7 national airport revenue bonds to \$62,825,000; and
8 providing for an effective date."

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

10 * Section 1. AS 37.15.410 is amended to read:

11 Sec. 37.15.410. BOND AUTHORIZATION. For the purpose of pro-
12 viding part or all of the money to be used, with or without any grants
13 or other money which may become available, the issuance and sale of
14 revenue bonds of the state in the total principal sum of not to exceed
15 \$62,825,000 [\$34,825,000] is authorized to acquire, equip, construct
16 and install the additions, improvements, extensions and facilities
17 authorized in AS 37.15.510. The principal of and interest on these
18 bonds shall be paid out of and secured by the gross revenues derived
19 by the state from the ownership, lease, use and operation of the
20 airports, and of all the facilities of them and out of any other
21 revenues or money which the state legislature may provide exclusive of
22 any state tax or license.

23 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
24 10.070(c).

This bill is for
2025-2026
1100 - 1100 - 1100

STATE OF ALASKA
FISCAL NOTE

I. REQUEST

Bill/Resolution No.: SB 266
 Title: Increasing Bond Authorization
 Sponsor: Senate Transportation
 Requestor: Senate State Affairs

II. FISCAL DETAIL

Agency Affected: DOT&PF
 Program Category Affected: Anch. Intn'l Airp
 BRJ, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Approval of this Bill authorizes an increased bond ceiling and has no fiscal impact until appropriated. (See SB 264 and Fiscal Note attached)

IV. ANALYSIS: (Fiscal Note for SB 264 attached)

Prepared By: Gina Marie Lindsey Phone: 266-1497
 Division: Central Region, Planning & Programming Date: 5/5/83
 Approved by Deputy Commissioner: [Signature] Date: 5/5/83
 Department: Transportation & Public Facilities

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

APR 25 1983

RECEIVED

APR 12 1983

DOT/PE
COMMISSIONER'S OFFICE
April 7 1983

*Barb
file with
the bill on
IAR Bonds*

CENTRAL REGION

Mr. Robert O. Yeasting
Foster & Marshall/American Express
205 Columbia
Seattle, Washington 98104

Dear Mr. Yeasting:

Enclosed is a description of the airport project that the Department of Transportation and Public Facilities (DOT&P) plans to finance through sale of airport revenue bonds. Also enclosed is a terminal drawing showing existing terminal area and designating renovation and new construction.

As you know, legislation authorizing the sale of \$26 million revenue bonds through the International Airport Revenue Fund has been introduced for approval by the Alaska Legislature. The bills have not yet been approved, however, I understand you are formulating a preliminary schedule of events required in preparing the bond sale for the State of Alaska.

I trust this information will be of use to you. I have not included a breakdown of rentable vs. public space because a few areas in the proposed new construction are still in question. I can have that information for you within the next week if it would be helpful.

Please let me know if any other type of information is necessary. I will be glad to forward a set of the design plans if they would be of any use.

Thank you for your assistance.

Sincerely,

William R. Snell
Director

WRS:GHL/sjg

Enclosures: Description of Airport Project
Existing Terminal Drawing

cc w/Enclosures: ~~Don Lind~~
Milt Barker
Cathy Poe

Anchorage International Airport
Domestic Terminal Expansion & Renovation

The proposed project involves construction of approximately 65,000 square feet of new terminal area and remodeling and renovation of approximately 56,000 square feet of existing terminal area. The estimated cost is \$23.1 million calculated at 1983 construction costs and includes the following:

Extend existing terminal 100 feet to the east (both levels). The first level will house additional baggage claim and make-up areas, and mechanical room. The second level will provide additional counter space, snack bar, storage, elevator and gate lobbies.

Construct a new two-level computer concourse providing passenger waiting space, equipment storage, crew lounge area, rest-room facilities, snack bar, baggage makeup, baggage claim, and 8 gates.

Preliminary engineering and construction for remodeling Concourse B to accommodate domestic carrier operations. Remodeling includes electrical system upgrades, installation of a fire suppression system and conversion of customs area to office lease space.

Purchase and installation of a backup emergency power system.

Preliminary engineering and construction of apron utility work required with the terminal remodeling such as construction of hardstands, relocation of fire hydrants, water supply, air start and guidance systems.

STATE OF ALASKA

Bill Sheffield, Governor

DEPARTMENT OF TRANSPORTATION
and PUBLIC FACILITIES
CENTRAL REGION PLANNING & PROGRAMMING
Director's Office

4111 AVIATION AVENUE, POUCH 6900
ANCHORAGE 99502 (TELEX 25-105)
PHONE: 266-1462

May 4, 1983

Senator Vic Fischer, Chairman
Senate State Affairs Committee
Pouch V
Juneau, AK 99811

Dear Senator Fischer:

During the Senate State Affairs Committee hearings on Senate Bill 266 you and several other Committee members raised questions regarding the existing bond indebtedness of the International Airport Revenue Fund (IARF). I trust the following information will answer the Committee's questions.

As of the end of fiscal year 1983 on June 30, 1983, the IARF will have total outstanding principal debt of \$17,485,000. Interest payments in the amount of \$10,539,900 bring the total outstanding indebtedness to \$28,024,900. The existing bonds will be maturing through 1998.

Preliminary analysis indicates that the IARF will have revenues sufficient to cover the annual bond indebtedness by more than the required 130% even if the State Bond Committee selects a relatively short term bond life (15 years rather than 30 years).

The project to be financed by the bond sale will effect the following improvements at Anchorage International Airport:

Extension of existing terminal 100-feet to the east (both levels). The first level will house additional baggage claim and makeup areas, and a mechanical room. The second level will provide additional counter space, snack bar, storage, elevator, and gate lobbies.

Construction of a commuter concourse providing 8 new gates, passenger waiting space, equipment storage, crew lounge area, restroom facilities, snack bar, baggage makeup, and baggage claim.

Preliminary engineering and construction to remodel the west concourse to accommodate domestic carrier operations and provide suitable office space for lease on the ground floor. A fire suppression system will be installed as well as electrical upgrades and provisions for handicapped accessibility.

Senator Fischer

May 4, 1983

Page 2

Preliminary engineering and construction of apron utility work required with the terminal remodeling.

This project is the first of three phases of an overall, comprehensive terminal improvement plan envisioned by DOT&PF if aviation activity continues to grow in line with current forecasts.

The Phase I project is estimated to cost approximately \$23.1 million. DOT&PF has requested authority to sell revenue bonds in the amount of \$28 million because of estimated bond sale costs (3% = \$840,000) and a required bond reserve deposit in the amount of one year's maximum principal and interest (estimated at \$3 million).

I trust this information answers the questions posed at the April 28 hearing. In case there are additional questions, a DOT&PF airport planner and Department of Revenue personnel will be available at tomorrow's hearing on SB 266.

Thank you for your consideration of this matter.

Sincerely,


William R. Shell, Director
Division of Planning & Programming

WS:GL/cn

cc: Gina Lindsey, Central Region
Cathy Poe, Assistant Comptroller, Department of Revenue

COMMITTEE REPORT
SENATE

4/19/83

FURTHER: Finance

Date: May 5, 1983

Mr. President:

The Committee on State Affairs has had SB 266

Increasing the bond authorization for international airport revenue bonds to \$62,825,000; and eff. date.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

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MEMBERS SIGNING
DO PASS

1. Tom Kelly
1. Adam Stupakowski
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

 CHAIRMAN

STATE OF ALASKA

DEPARTMENT OF REVENUE

TREASURY DIVISION

BILL SHEFFIELD, GOVERNOR

ELEVENTH FLOOR
STATE OFFICE BUILDING
POUCH SB
JUNEAU, ALASKA 99811
PHONE:

May 6, 1983

The Honorable Vic Fischer
Senator
Chairman State Affairs Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Fisher:

This letter is to answer a few questions asked by the State Affairs Committee on April 26 concerning Senate Bill 266, "An Act Increasing the Bond Authorization for International Airport Revenue Bonds to \$62,825,000."

Question 1: What is the total amount of International Airport Revenue bonds currently outstanding and what is the payback period on these bonds?

Total Principal Outstanding as of 6/30/83	\$17,490,000
Total Interest Payable as of 6/30/83	<u>9,344,510</u>
Total Debt Outstanding	<u>\$26,834,510</u>

All bonds currently outstanding will be paid in full in 15 years (1998). Bond payments by year are listed below. Bond reserve accounts total \$1,960,435 and will be used to make the last principal and interest payments in 1997 and 1998.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY 84	845,000	1,101,605	1,946,605
85	895,000	1,049,795	1,944,795
86	945,000	995,430	1,940,430
87	1,005,000	940,300	1,945,300
88	1,065,000	882,075	1,947,075
89	1,140,000	820,435	1,960,435
90	1,210,000	745,240	1,955,240
91	1,275,000	666,520	1,941,520
92	1,340,000	583,470	1,923,470
93	1,410,000	496,090	1,906,090
94	1,485,000	404,020	1,889,020
95	1,560,000	306,900	1,866,900
96	1,640,000	204,730	1,844,730
97	800,000	97,150	897,150
98	<u>875,000</u>	<u>50,750</u>	<u>925,750</u>
	<u>\$17,490,000</u>	<u>\$9,344,510</u>	<u>\$26,834,510</u>

The Honorable Vic Fischer

May 6, 1983

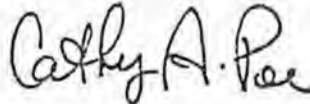
Page -2-

Question 2: Why is the authorization being raised?
According to AS 37.15.410 the total amount of bonds authorized to be sold for the International Airport Construction Fund is limited to \$34,825,000. This amount has already been issued and thus SB 266 is needed to raise this ceiling. A schedule of the principal amount of bonds which have been issued is included below.

	SERIES	RATE	PRINCIPAL
6/1/68	Series A (20 yr.)	5.69	7,000,000
6/1/69	Series B (20 yr.)	6.39	2,225,000
6/1/69	Series B (25 yr.)	7.23	6,500,000
6/1/73	Series C (25 yr.)	5.85	8,500,000
6/1/75	Series E - defeased	7.48	<u>10,600,000</u>
			<u>\$34,825,000</u>

If you have any questions, I would be glad to answer them.

Sincerely,



Cathy A. Poe
Assistant Comptroller

CAP:fm

COMMITTEE REPORT
SENATE

4/19/83

FURTHER: Finance

Date: May 5, 1983

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DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

1 Tim Kelly
1 Aileen Stuhlgard
[Signature]

[Signature]
 CHAIRMAN