

SB

34

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: May 6, 1997

FURTHER REFERRALS:

Date of Committee Action: 5/8/97 pm

The FINANCE Committee considered:

CSSB 34(FIN)

CS FOR SENATE BILL NO. 34(FIN)

DOT MAINTENANCE FACILITY AT SOLDOTNA

"An Act giving notice of and approving the entry into, and the issuance of certificates of participation in, a lease-purchase agreement for a Soldotna maintenance facility of the Department of Transportation and Public Facilities with total construction, acquisition, and other costs, excluding lease payments, of the project not exceeding \$4,900,000."

recommends it be replaced
with the following committee substitute

CSSB 34(FIN)

the same title
 a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

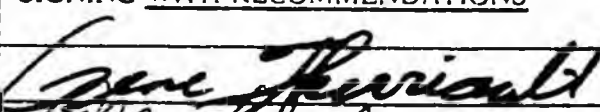
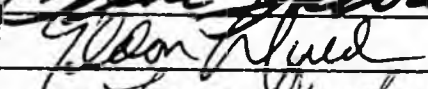
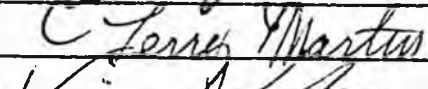
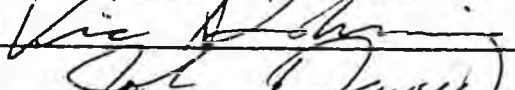
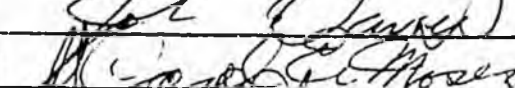
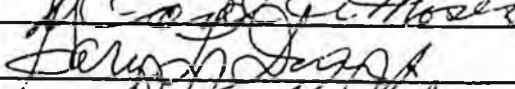



APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) _____

fiscal note(s) REVENUE 4/25/97

zero fiscal note(s) _____

zero fiscal note(s) DOA 3/11/97

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
	Therriault			X	
	MULDER	✓			
	Martin			X	
	Kohring	X			
	J. DAVIS			X	
	MOSIS	X			
	G. DAVIS	✓			
	Kelly	✓			
	FOSTER	X			

CO CHAIR'S SIGNATURE


Therriault

No. 4
 Bill Version: CSB34(FIN)
 (S) Publish Date: 4/25/97

Revision Date: 4/24/97 Dept. Affected: Revenue
 Title: DOT Maintenance Facility at Soldotna BRU: Revenue Operations
 Component: Treasury
 Sponsor: Senator Torgerson
 Requestor: (S) CRA COMPONENT SERIAL NO. 121

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS - LEASE PAYMENTS		669.4	670.2	669.0	665.9	670.0
	0.0	669.4	670.2	669.0	665.9	670.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	669.4	670.2	669.0	665.9	670.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	669.4	670.2	669.0	665.9	670.0

Estimate of any current year (FY97) cost \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Authorizes lease-purchase financing for up to \$4.9 million for a DOT maintenance facility in Soldotna.

Assuming current interest rates plus 75 bp (3/4% per annum) and a ten year term, estimated annual lease-purchase payments will be approximately \$670 thousand. (See attached debt service schedule, page 2.) These amounts are less than the annual and total lease payments authorized in the bill.

Prepared by: Forrest R. Browne
 Division: Treasury
 Approved by Commissioner: Wilson L. Condon
 Agency: Revenue

Phone: 465-3750
 Date: April 24, 1997
 Date: April 24, 1997

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Dated: 2/1/98
 Delivered: 2/1/98

Sizing Debt Services Schedule
DOT - SOLDOTNA MAINTENANCE FAC
CURRENT RATES +75bp

Fiscal Yr	Coupon MYY	Zer Date	Cpn Rate	Maturing Principal	Periodic Interest	Gross Semi-Annl Dbl Svc	Cap Int	DebtSvcRsv Int&Prin	ContingencyFnd Int&Prin	NetSemi-AnnlDblSvc	Net Fiscal Dbl Svc
2 99		8/1/98			144,710.00	144,710.00				144,710.00	
8 99		2/1/99	N 5.050	380,000.00	144,710.00	574,710.00				524,710.00	669,420.00
1 2 0		8/1/99			135,115.00	135,115.00				135,115.00	
8 0		2/1/00	N 5.300	400,000.00	135,115.00	535,115.00				535,115.00	670,230.00
2 2 1		8/1/00			124,515.00	124,515.00				124,515.00	
8 1		2/1/01	N 5.500	420,000.00	124,515.00	544,515.00				544,515.00	669,030.00
3 2 2		8/1/01			112,965.00	112,965.00				112,965.00	
8 2		2/1/02	N 5.800	440,000.00	112,965.00	552,965.00				552,965.00	665,930.00
4 2 3		8/1/02			100,205.00	100,205.00				100,205.00	
8 3		2/1/03	N 5.900	470,000.00	100,205.00	570,205.00				570,205.00	670,410.00
5 2 4		8/1/03			86,340.00	86,340.00				86,340.00	
8 4		2/1/04	N 6.000	495,000.00	86,340.00	581,340.00				581,340.00	667,580.00
6 2 5		8/1/04			71,490.00	71,490.00				71,490.00	
8 5		2/1/05	N 6.100	525,000.00	71,490.00	596,490.00				596,490.00	667,980.00
7 2 6		8/1/05			55,477.50	55,477.50				55,477.50	
8 6		2/1/06	N 6.200	555,000.00	55,477.50	610,477.50				610,477.50	665,965.00
8 2 7		8/1/06			38,272.50	38,272.50				38,272.50	
8 7		2/1/07	N 6.300	590,000.00	38,272.50	628,272.50				628,272.50	666,545.00
9 2 8		8/1/07			19,687.50	19,687.50				19,687.50	
8 8		2/1/08	N 6.300	625,000.00	19,687.50	644,687.50				644,687.50	664,375.00
				4,900,000.00	1,777,555.00	6,677,555.00				6,677,555.00	6,677,555.00

True Interest Cost (TIC).....8,239,1024
 Net Interest Cost (NIC).....6,228,293
 Arbitrage Yield Limit (AYL).....5,970,7710
 Arbitrage Net Interest Cost (ANIC)..... 6,088,5597

Prepared by: FORREST BROWNE, DOR - TREASURY
 Prepared on: 4/24/97 08:40 8.20 Rpt 14
 Record ID: SOLDOTNA-1998-E :MUNIDB

FISCAL NOTE

No. 3
 Bill Version: SB34
 (S) Publish Date: 3/21/97

STATE OF ALASKA
1997 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: DOT&PF
 Title: "DOT Maintenance Facility at Soldotna" BRU: Commissioner's Office
 Component: Office of the Commissioner
 Sponsor: Senator Torqerson
 Requester: Senate Transportation COMPONENT SERIAL NO. 530

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: \$ 0.0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

The Department of Transportation and Public Facilities does not anticipate any fiscal impacts as a result of this legislation. The department supports the relocation and building of the new facility and will work with the sponsor and other affected agencies to refine the financing package.

Prepared by: Sam Kito III Phone: 465-3900
 Special Assistant
 Division: Office of the Commissioner Date: 3/11/97
 Approved by: *Joseph L. Dubina* Date: 3/11/97
 Commissioner
 Agency: Department of Transportation and Public Facilities

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 1
Bill Verson: SB34
(S) Publish Date: 3/15/97

Revision Date: _____
Title: "An Act giving notice of and approving a lease purchase agreement for a maintenance facility for the DOT&PF."
Sponsor: Senator Torgerson
Requestor: (S) CRA

Department Affected: Administration
BRU: General Services
Component: Leasing

COMPONENT SERIAL NO. 81

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER * CIP receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: \$ 0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

The bill would authorize financing and construction of a new maintenance facility for the Department of Transportation & Public Facilities in Soldotna. Since the current DOT&PF facility is state owned, there are no current lease costs in the DOA budget. The Department of Administration's role in this project is simply to execute a lease agreement on behalf of the state.. No costs for design, construction, contract compliance, building maintenance or lease payments are anticipated from the Department of Administration budget.

Prepared by: Dugan Pettv, Director *Dugan Pettv*
Division: General Services

Phone: 465-2250
Date: _____

Approved by Commissioner: Mark Bover *Mark Bover*
Agency: Department of Administration

Date: 2/28/97

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Alaska State Legislature

Committee Membership

Senate Finance
Senate Resources
Senate Rules
Legislative Budget & Audit



Senator John Torgerson

District Address:
145 Main St. Loop; Ste. 226
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(907) 283-2690
fax 283-9267

Session Address:
State Capitol: Room 514
Juneau, AK 99801-1182
(907) 465-2828
fax 465-4779

Sponsor Statement

CSSB 34(FIN): DOT Maintenance Facility at Soldotna

Senate Bill 34 provides authorization to the State of Alaska to enter into and finance a lease-purchase agreement for the construction of a new maintenance facility in Soldotna.

The current facility, on about a 7 acre site, is over 30 years old and is located along the Kenai River. The facility, on the main thorough-fare in the center of Soldotna, is of concern to the entire community.

The new facility will be constructed on a site which is currently held by the Kenai Peninsula Borough (KPB). The KPB "owes" the State the acreage; thus there is no land acquisition cost to this project. The KPB will deed the land to whatever entity is needed to comply with the bonding requirements.

There is considerable public interest over the siting of the maintenance facility along the Kenai River. Heightened public awareness of habitat protection and water quality for the river has focused on this station.

This project has the support of the Department and appears to be the most viable option at this time.

SS:CSSB 34(FIN): HF: 5/7/97: mj

Alaska State Legislature

Committee Membership

Senate Finance
Senate Resources
Senate Rules
Legislative Budget & Audit



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Sectional Analysis

CSSB 34(FIN): DOT Maintenance Facility at Soldotna

Section 1: Authorizes the State to enter into and finance a lease-purchase agreement for the construction of a new maintenance facility in Soldotna. Sets out the maximum total project costs, the maximum annual rental obligation amount, and the maximum full term lease payment amount. Specifies that the state shall own the facility and land at the end of the lease term and that this section provides the notice and approval required by statute.

SA: CSSB 34(FIN):HF: 5/7/97: mj