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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO.

SB 34

Revision Date: _____
 Title: "An Act giving notice of and approving a lease purchase agreementfor 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 Boyer *Mark Boyer*
 Agency: Department of Administration

Date: 2/28/97

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
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Revision Date: _____ 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		809.6	811.8	811.8	814.5	811.8
TOTAL OPERATING	0.0	809.6	811.8	811.8	814.5	811.8
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	809.6	811.8	811.8	814.5	811.8
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	809.6	811.8	811.8	814.5	811.8

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 \$6.0 million for a DOT maintenance facility in Soldotna.

Assuming current interest rates plus 75bp (3/4% per annum) and a ten year term, estimated annual lease-purchase payments will be approximately \$812 thousand. See attached debt service schedule, page 2.

To allow maximum financing flexibility and to minimize costs of this financing, the Department of Revenue recommends the changes noted on the attached, page three.

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

Phone: 465-3750
 Date: March 7, 1997
 Date: March 7, 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	Coupon Cpn	Coupon Rate	Maturing Principal	Periodic Interest	Gross Semi-Annl Dbt Svc	Capitalized Interest	Debt Svc Rsv Int & Prln	Cntgncy Fnd Int & Prln	Net Semi-Annl Dbt Svc	Net Fiscal Dbt Svc
2	99	8/1/98				172,296.25	172,296.25				172,296.25	
8	99	2/1/99	N	4.900	465,000.00	172,296.25	637,296.25				637,296.25	809,592.50
1	2	0	8/1/99			160,903.75	160,903.75				160,903.75	
8	0	2/1/00	N	5.100	490,000.00	160,903.75	650,903.75				650,903.75	811,807.50
2	2	1	8/1/00			148,408.75	148,408.75				148,408.75	
8	1	2/1/01	N	5.300	515,000.00	148,408.75	663,408.75				663,408.75	811,817.50
3	2	2	8/1/01			134,761.25	134,761.25				134,761.25	
1	2	2/1/02	N	5.600	545,000.00	134,761.25	679,761.25				679,761.25	814,522.50
4	2	3	8/1/02			119,501.25	119,501.25				119,501.25	
8	3	2/1/03	N	5.750	575,000.00	119,501.25	694,501.25				694,501.25	814,002.50
5	2	4	8/1/03			102,970.00	102,970.00				102,970.00	
8	4	2/1/04	N	5.850	605,000.00	102,970.00	707,970.00				707,970.00	810,940.00
6	2	5	8/1/04			85,273.75	85,273.75				85,273.75	
8	5	2/1/05	N	5.950	640,000.00	85,273.75	725,273.75				725,273.75	810,547.50
7	2	6	8/1/05			66,233.75	66,233.75				66,233.75	
8	6	2/1/06	N	6.050	680,000.00	66,233.75	746,233.75				746,233.75	812,467.50
8	2	7	8/1/06			45,663.75	45,663.75				45,663.75	
8	7	2/1/07	N	6.150	720,000.00	45,663.75	765,663.75				765,663.75	811,327.50
9	2	8	8/1/07			23,523.75	23,523.75				23,523.75	
8	8	2/1/08	N	6.150	765,000.00	23,523.75	788,523.75				788,523.75	812,047.50
					6,000,000.00	2,119,072.50	8,119,072.50				8,119,072.50	8,119,072.50

True Interest Cost (TIC).....5.9134855
 Net Interest Cost (NIC).....5.9316235
 Arbitrage Yield Limit (AYL).....5.9134855
 Arbitrage Net Interest Cost (ANIC)..... 5.9316235

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Prepared by: FORREST BROWNE, DOR - TREASURY
 Prepared on: 3/7/97 16:17 3.05 Rpt 14
 Record ID: SOLDOTNA-1998-C :MUNIDB

SENATE BILL NO. 34

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY: SENATOR TORGERSON

Introduced: 1/13/97
Referred: CRA, Finance

DRAFT

A BILL

FOR AN ACT ENTITLED

"An Act giving notice of and approving a lease-purchase agreement [WITH THE CITY OF SOLDOTNA] for a maintenance facility of the Department of Transportation and Public Facilities."

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

*Section 1. NOTICE AND APPROVAL OF THE ENTRY INTO AND FINANCING OF A LEASE-PURCHASE AGREEMENT. The state bond committee is authorized to arrange for the issuance of certificates of participation for and the Department of Administration is authorized to enter into a lease-purchase agreement [WITH THE CITY OF SOLDOTNA TO ENABLE THE CITY OF SOLDOTNA TO FINANCE AND BUILD A] for a new maintenance facility in Soldotna to be operated by [OF] the Department of Transportation and Public Facilities. The total construction, acquisition, or other costs of the project shall be less than \$6,000,000. The annual amount of the rental obligation shall be less than \$1,300,000. The total lease payments for the full term of the agreement shall be less than \$10,000,000. The state shall own the facility at the end of the lease term. This section constitutes the notice and approval

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required by AS 36.30.085.

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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
Kenai, AK 99611
(907) 283-2690
fax 283-9267

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

Sponsor Statement

SB 34: DOT Maintenance Facility at Soldotna

Senate Bill 34 provides authorization to the Department of Administration to enter into a lease-purchase agreement with the City of Soldotna, so that the City can finance and build a Department of Transportation Maintenance Facility in Soldotna, Alaska.

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 an eyesore 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.

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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Sectional Analysis

SB 34: DOT Maintenance Facility at Soldotna

Section 1: Authorizes a lease-purchase agreement with the City of Soldotna, so that the City can finance and construct a maintenance facility. 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 at the end of the lease term and that this section provides the notice and approval required by statute.

SA: SB 34: S(CRA): 3/697: mj