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Alaska State Legislature

Committee Membership

Senate Finance
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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 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.

SS:CSSB 34(FIN): S(RUL) 4/28/97: mj

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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);S(RUL): 4/28/97: mj

Representing the Kenai Peninsula

No. 4
Bill Version: CS3B34(FIN)
(S) Publish Date: 4/25/97

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

Expenditures/Revenues: (Thousands of Dollars)

	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
OPERATING EXPENDITURES						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS - LEASE PAYMENTS		669.4	670.2	669.0	665.9	670.4
	0.0	669.4	670.2	669.0	665.9	670.4
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()						

FUND SOURCE (Thousands of Dollars)

	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
1002 Federal Receipts						
100 Match						
100	0.0	669.4	670.2	669.0	665.9	670.4
005 GF/Program Receipts						
037 GF/Mental Health						
Other						
TOTAL	0.0	669.4	670.2	669.0	665.9	670.4

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

POSITIONS:

	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
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 total lease payments authorized in the bill.

Prepared by: Forrest R. Browne Phone: 465-3750
 Division: Treasury Date: April 24, 1997
 Approved by Commissioner: Wilson L. Condon *Robert L. Cunningham* Date: April 24, 1997
 Revenue

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