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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB34 |

Revision Date: _____ Dept. Affected: DOT&PF
 Title: "DOT Maintenance Facility at Soldotna" BRU: Commissioner's Office
 Component: Office of the Commissioner
 Sponsor: Senator Torgerson
 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

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	814.0
TOTAL OPERATING	0.0	809.6	811.8	811.8	814.5	814.0
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	814.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	809.6	811.8	811.8	814.5	814.0

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 \$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* Phone: 465-3750
 Division: Treasury Date: March 7, 1997
 Approved by Commissioner: Wilson L. Condon *Wilson L. Condon* Date: March 7, 1997
 Agency: Revenue

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Date: 2/1/98
 Delivered: 2/1/98

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

Fiscal Yr	Coupon M YY	Zer Date	Coupon Cpn	Coupon Rate	Maturing Principal	Periodic Interest	Gross Semi-Annl Dbt Svc	Capitalized Interest	Debt Svc Rsv Int & Prin	Cntgncy Fnd Int & Prin	Net Semi-Annl Dbt Svc	Net Fiscal Lbt 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	
8	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

(Page 3 of 4)

Prepared by:	FORREST BROWNE, DOR - TREASURY
Prepared on:	3/7/97 16:17 8.05 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

(Page 3 of 4)

required by AS 36.30.085.

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DRAFT

(Page 4 of 4)

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 1
Bill Version: SB34
(S) Publish Date: 3/16/97

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 Boyer *Alison M. Edgee*
Agency: Department of Administration

Date: 2/28/97

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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) TRA 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		608.4	611.3	607.4	607.0	609.3
TOTAL OPERATING	0.0	608.4	611.3	607.4	607.0	609.3

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	608.4	611.3	607.4	607.0	609.3
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	608.4	611.3	607.4	607.0	609.3

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 \$4.5 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 \$609 thousand. See attached debt service schedule, page 2.

Prepared by: Forrest R. Browne *Forrest Browne* Phone: 465-3750
 Division: Treasury Date: March 17, 1997
 Approved by Commissioner: Wilson L. Condon *Wilson L. Condon* Date: March 17, 1997
 Agency: Revenue

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information call the Governor's Legislative Office

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

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

Fiscal Yr	Coupon M YY	Zer Date	Coupon Cpn	Coupon Rate	Maturing Principal	Periodic Interest	Gross Semi-Annl Dbt Svc	Capltalized Interest	Debt Svc Rsv Int & Prin	Cntgncy Fnd Int & Prin	Net Semi-Annl Dbt Svc	Net Fiscal Dbt Svc
2	99	8/1/98				129,217.50	129,217.50				129,217.50	
8	99	2/1/99	N	4.900	350,000.00	129,217.50	479,217.50				479,217.50	608,435.00
1	2	0	8/1/99			120,642.50	120,642.50				120,642.50	
8	0	2/1/00	N	5.100	370,000.00	120,642.50	490,642.50				490,642.50	611,285.00
2	2	1	8/1/00			111,207.50	111,207.50				111,207.50	
8	1	2/1/01	N	5.300	385,000.00	111,207.50	496,207.50				496,207.50	607,415.00
3	2	2	8/1/01			101,005.00	101,005.00				101,005.00	
8	2	2/1/02	N	5.600	405,000.00	101,005.00	506,005.00				506,005.00	607,010.00
4	2	3	8/1/02			89,665.00	89,665.00				89,665.00	
8	3	2/1/03	N	5.750	430,000.00	89,665.00	519,665.00				519,665.00	609,330.00
5	2	4	8/1/03			77,302.50	77,302.50				77,302.50	
8	4	2/1/04	N	5.850	455,000.00	77,302.50	532,302.50				532,302.50	609,605.00
6	2	5	8/1/04			63,993.75	63,993.75				63,993.75	
8	5	2/1/05	N	5.950	480,000.00	63,993.75	543,993.75				543,993.75	607,987.50
7	6	8/1/05				49,713.75	49,713.75				49,713.75	
8	6	2/1/06	N	6.050	510,000.00	49,713.75	559,713.75				559,713.75	609,427.50
8	2	7	8/1/06			34,286.25	34,286.25				34,286.25	
8	7	2/1/07	N	6.150	540,000.00	34,286.25	574,286.25				574,286.25	608,572.50
9	2	8	8/1/07			17,681.25	17,681.25				17,681.25	
8	8	2/1/08	N	6.150	575,000.00	17,681.25	592,681.25				592,681.25	610,362.50
						4,500,000.00	1,589,430.00	6,089,430.00			6,089,430.00	6,089,430.00

True Interest Cost (TIC).....6.0811634
Net Interest Cost (NIC).....6.0661691
Arbitrage Yield Limit (AYL).....5.9136662
Arbitrage Net Interest Cost (ANIC)..... 5.9318156

Prepared by: FORKST BROWNE, DOR - TREASURY
 Prepared on: 3/12/97 17:38 8.05 Rpt 14
 Record ID: SOLDOTNA-1998-D :MUNIDB

(Page 2 of 3)

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR
410 Willoughby Ave., Ste 105
Juneau, AK 99801-1795
PHONE: (907) 465-5065
FAX: (907) 465-5070
<http://www.state.ak.us/dec/home.htm>

April 11, 1997

The Honorable Senator Jerry Ward
Alaska State Senate
State Capitol, Room 423
Juneau, AK 99801-1182

Dear Senator Ward:

You asked for information regarding cleanup costs for contaminated soils and groundwater at the Alaska Department of Transportation and Public Facilities (DOTPF) Soldotna maintenance facility. Based on our analysis of available information about the site and consultation with Mr. Dan Breedan, the DOTPF project manager for contamination at the Soldotna facility, we estimate it will cost approximately \$850,000 to complete clean up and conduct monitoring for contamination.

Our cost estimate is based on the following assumptions: (1) we have identified all areas where contamination exists and no additional areas of contaminated soils will be identified and; (2) the extent and concentration of groundwater contamination will allow for monitoring rather than full remediation. Actual cleanup costs could increase if our assumptions prove to be incorrect after we learn additional information from this summer's assessment and remediation activities. However, even if additional groundwater cleanup activities become necessary, I do not anticipate that the additional cleanup activities would prevent converting the site into a park or public access area.

Sincerely,



Michele Brown
Commissioner

RS/MB/mh JASPARMCSWARD060 WPD

cc: Commissioner Joe Perkins, DOTPF
Dan Breedan, DOTPF, Anchorage

Alaska State Legislature

Senate

JERRY WARD

State Capitol
Juneau, AK 99801-1182
Phone (907) 465-4940
Fax (907) 465-3766

716 W. 4th Ave., Ste. 450
Anchorage, AK 99501-2133
Phone (907) 258-8183
Fax (907) 258-0820

145 Main Street Loop
Kenai, AK 99611
Phone (907) 283-7996
Fax (907) 283-3075

March 24, 1997

Ms. Michele Brown, Commissioner
Department of Environmental Conservation
410 Willoughby Avenue, Suite 105
Juneau, AK 99801-1795

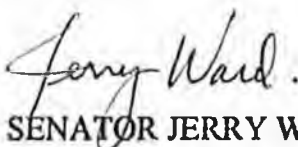
Dear Commissioner Brown:

The Senate Transportation Committee recently heard SB 34, relating to a DOT maintenance facility in Soldotna. The current facility is located on a site which is contaminated with chloride and hydrocarbon. According to DOT, some clean up work has already been started and they are in the process of committing additional funds to continue the clean up. The bill passed out of the Senate Transportation Committee with a Committee Substitute.

Just recently, I was informed by a constituent that the cost to clean up the present site could run up to \$10 million. Please advise me if this dollar amount is correct. If this figure is not correct, please provide me with the correct dollar amount determined necessary to clean up the contamination on this site. As recommendations for the use of the old site have including building a park or other public access facility, I am concerned about the extent of the contamination.

Thank you for your expeditious response to this request.

Sincerely,



SENATOR JERRY WARD

0-LS0263AF
Bannister
3/19/97

CS FOR SENATE BILL NO. 34(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATOR TORGERSON

A BILL

FOR AN ACT ENTITLED

1 "An Act giving notice of and approving a lease-purchase agreement with the City
2 of Soldotna for a maintenance facility of the Department of Transportation and
3 Public Facilities."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * Section 1. NOTICE AND APPROVAL OF LEASE-PURCHASE AGREEMENT. The
6 Department of Administration is authorized to enter into a lease-purchase agreement with the
7 City of Soldotna to enable the City of Soldotna to finance and build a maintenance facility
8 of the Department of Transportation and Public Facilities. The total construction, acquisition,
9 or other costs of the project shall be less than \$4,500,000. The annual amount of the rental
10 obligation shall be less than \$620,000. The total lease payments for the full term of the
11 agreement shall be less than \$6,200,000. The state shall own the facility at the end of the
12 lease term. This section constitutes the notice and approval required by AS 36.30.085.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101


130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

March 19, 1997

SUBJECT: CSSB 34(TRA) draft relating to DOT maintenance facility (Work Order No. 20-LS0263\F)

TO: Senator Jerry Ward, Chair
Senate Transportation Committee
Attn: Lydia

FROM: 
Theresa Bannister
Legislative Counsel

This memo accompanies the bill draft described above.

1. Please be aware that the legislative notification and approval requirements of AS 36.30.085 that this bill is designed to address may violate the separation of powers doctrine in the state constitution. In other words, it is very possible that, despite AS 36.30.085, the executive branch is not required to obtain legislative approval before it goes ahead with the lease-purchase agreement for that facility.

2. Please also be aware that the draft also raises an issue under the state constitutional prohibition (art. II, sec. 19) against local and special legislation because the lease-purchase agreement is expressly stated to be with the city of Soldotna. That prohibition provides that "the legislature shall pass no local or special act if a general act can be made applicable." This constitutional provision is designed to eliminate the favoritism and logrolling that result if a legislature has the unfettered power to enact local and special acts.

The test used by the Alaska Supreme Court to determine if an act is "local" or "special" is whether it is "reasonably related to a matter of common interest to the whole state." Abrams v. State, 534 P.2d 91, 94 (Alaska 1975). If a special or local act is found to have been enacted, the question of whether a "general act can be made applicable" is specifically a matter for judicial determination. See Abrams v. State, 534 P.2d 91 (Alaska 1975) where the court determined that the act in question (relating to the Eagle River-Chugiak Borough) was both special and local legislation and then determined that a general law (the general borough law) could be made applicable.

The provision here may be considered a matter of common interest to the state since it covers a facility of a state department and arguably advances the general state interest by facilitating

Senator Jerry Ward. Chair

March 19, 1997

Page 2

the operations and mission of the department. On the other hand, it may be possible to draft a general act relating to the lease-purchase of DOT maintenance facilities. The result of a constitutional review is not obvious. If you would like further research done on this issue, please advise.

If I may be of further assistance, please advise.

TLB:jdr

97-200.jdr

Enclosure

Alaska State Legislature



Session:
State Capitol, Room 423
Juneau, AK 99801-1182
(907) 465-4921

Interim.
716 W. 4th Avenue, Ste. 450
Anchorage, AK 99501-2133
(907) 258-8183

SENATE TRANSPORTATION COMMITTEE

MEMORANDUM

FILE COPY

DATE: March 13, 1997

TO: Senator John Torgerson

FROM: Lydia A. Jones, Legislative Assistant
Senate Transportation Committee

RE: SCHEDULING OF SB 34

Thank you for your memo requesting scheduling of SB 34. It is my understanding that your aide, Mary will provide the committee with the necessary background information on this legislation. Upon receipt of this information, Senator Ward has authorized me to schedule SB 34 for hearing before the Senate Transportation Committee next week, either on March 18 or 20. Do you have a preference of date?

Also, the Senator asked me to inquire if you need any additional information on SB 68 relating to the Privatization Task Force. If so, please feel free to contact me or Craig Johnson at 4940. We will be happy to provide whatever information you require.

Thank you.

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

MEMORANDUM

DATE: March 12, 1997

TO: Senator Ward, Chair
Senate Transportation Committee

FROM: Senator John Torgerson

RE: SB 34 - DOT Maintenance Facility at Soldotna

I would appreciate your scheduling this bill at your earliest convenience.

As you know, this facility serves both my district and a portion of yours. The project has been long supported in the area, and the City of Soldotna is ready to step forward to assist in the relocation of the shop.

I do expect some amendments in regards to bonding language (from the Department of Revenue) as well as a reduction in the costs of the project.

I had anticipated those language changes to take place in Finance Committee.

Thank you for your time and consideration.

sb 34: S(TRA) hrg: 3/12/97: mj

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

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



KENAI PENINSULA BOROUGH

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MIKE NAVARRE
MAYOR

March 7, 1997

The Honorable John Torgerson
Alaska State Senate
State Capital
Juneau, Alaska 99801-1182

Dear Senator Torgerson:

The Kenai Peninsula Borough strongly endorses Senate Bill 34, "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."

The Kenai Peninsula Borough is working in cooperation with the Department of Transportation and Public Facilities (DOTPF) to relocate the existing maintenance facility, adjacent to the Kenai River, and sand pile, adjacent to Soldotna Creek, to an approximate 48 acre borough owned parcel across from Skyview High School.

In the near future the borough will be issuing DOTPF a Right of Entry permit. Once the parcel has been platted and a final plat filed, the borough will quitclaim this parcel to the State of Alaska.

Again, the borough strongly supports any and all efforts to relocate the DOTPF Soldotna Maintenance Facility away from anadromous streams. Any assistance which you can provide to expedite this relocation matter is greatly appreciated.

Should you have any questions please contact me or Lisa Parker, Planning Director.

Sincerely,

Mike Navarre
Mike Navarre
Borough Mayor

MN/LMP/lmp

cc: Representative Gail Phillips
Representative Gary Davis