

**SB**

**218**

ALASKA STATE LEGISLATURE  
SENATE DISTRICT I

Interim:  
716 West 4<sup>th</sup> Ave.  
Anchorage, AK 99501  
Phone: 907-269-0222  
Fax: 907-269-0223  
Toll Free: 1-888-269-3879



Session:  
State Capitol Bldg., Suite  
101  
Juneau, AK 99801  
Phone: 907-465-3879  
Fax: 907-465-2069  
Toll Free: 1-888-269-3879

John J. Cowdery  
Senate Transportation Committee, Chair  
World Trade and State & Federal Relations  
LEGISLATIVE COUNCIL, RULES, JUDICIARY

**SPONSOR STATEMENT**

**SB 218**

Senate Bill 218 changes the bond authorization limit to \$447,900,000 and authorizes the sale of \$142.9 million in international airport system revenue bonds to support capital improvement programs of the AIAS for fiscal years 2002 and 2003.

The AIAS and the state's major air carriers propose to continue developing our international airport system through implementation of a new international airports system operating agreement. Under the agreement, that development would be accomplished by using revenue bonds.

The airlines have requested, and the airport system has agreed, to shift to revenue bond financing rather than the historic method of funding capital improvements through annual capital charges paid by the airlines. While repayment of the bonded debt and annual debt service would still be covered by charges paid by the airlines, revenue bonds would allow payment to be spread over periods of time such as the useful life of airport projects.

# FISCAL NOTE

**STATE OF ALASKA  
2001 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CS SB 218 (TRANS)  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
 Title: International Airports: BRU: Revenue Operations  
Bonds / Construction Fund Component: Treasury Division  
 Sponsor: Senator Cowdery  
 Requester: Senate Finance Component Number: 121

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel	25.0					
Contractual		15.0	15.0	15.0	15.0	15.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous			4,705.9	12,260.8	12,253.5	12,250.0
<b>TOTAL OPERATING</b>	<b>25.0</b>	<b>15.0</b>	<b>4,720.9</b>	<b>12,275.8</b>	<b>12,268.5</b>	<b>12,265.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF	25.0	15.0	15.0	15.0	15.0	15.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
AIAS Revenue Fund			4,705.9	12,260.8	12,253.5	12,250.0
<b>TOTAL</b>	<b>25.0</b>	<b>15.0</b>	<b>4,720.9</b>	<b>12,275.8</b>	<b>12,268.5</b>	<b>12,265.0</b>

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This legislation authorizes the State Bond Committee to issue an additional \$142,900,000 in revenue bonds to support the Alaska International Airport System's capital improvement program.

BASE ASSUMPTIONS: Project size of approximately \$113.2 million, 25-year term of bonds. True interest cost of 6.76% (approximately 1.5% above current rates). Two years of capitalized interest (making the interest payments on the bonds with bond proceeds). Debt service reserve funded with bond proceeds.

SOURCES OF CAPITAL: Par amount of bonds \$142.9 million, with interest earnings on the construction fund estimated at \$4 million.

USES OF CAPITAL: Project \$113.2 million. Capitalized interest \$18.8 million. Debt service reserve fund \$12.3 million. Costs associated with issuing the bonds \$2.5 million. Total uses of capital are \$147.7 million.

147.7

Prepared by: Deven Mitchell, State Debt Manager Phone 465-3750  
 Division: Treasury Division Date/Time May 2, 2001, 2 p.m.  
 Approved by: Larry Persily, Deputy Commissioner Date 05/02/2001  
 Agency: Department of Revenue

For distribution information, call the Governor's Legislative Office

**AIAS  
FY 2002 Capital Improvement Budget**

*700 - Airport Improvement  
Capital Budget  
Cash Flow*

<b>ANC</b>		<b>Total</b>					<b>FY 02</b>					<b>FY 03</b>				
<b>Airport</b>	<b>Description</b>	<b>FY 02/03</b>	<b>AIP</b>	<b>Bonds</b>	<b>PFC</b>	<b>IARF</b>	<b>FY 02</b>	<b>AIP</b>	<b>Bonds</b>	<b>PFC</b>	<b>IARF</b>	<b>FY 03</b>	<b>AIP</b>	<b>Bonds</b>	<b>PFC</b>	<b>IARF</b>
ANC	Advanced Project/Parking Design Study	6,316,000		6,316,000			3,158,000		3,158,000			3,158,000	-	3,158,000	-	-
ANC	Airfield Electrical/Lighting Rehab/Upgrades	2,237,000	1,950,000	287,000			987,000	750,000	237,000			1,250,000	1,200,000	50,000		-
ANC	Airfield Pavement Maintenance	15,524,000	10,700,000	4,824,000			7,199,000	4,700,000	2,799,000			8,025,000	6,000,000	2,025,000		-
ANC	Airfield Safety and Blast Protection	4,868,000	4,600,000	268,000			2,368,000	2,350,000	18,000			2,500,000	2,250,000	250,000		-
ANC	Annual Improvements	2,632,000				2,632,000	1,316,000				1,316,000	1,316,000	-	-		1,316,000
ANC	Communication System and Relocation	5,515,000		5,515,000			5,515,000		5,515,000			-	-	-		-
ANC	Deicing System	2,631,000	2,300,000	331,000			2,631,000	2,300,000	331,000			-	-	-		-
ANC	Energy and Terminal Systems Upgrades	1,905,000		1,905,000			635,000		635,000			1,270,000	-	1,270,000		-
ANC	Environmental Compliance and Cleanup	12,782,000		6,962,000		5,800,000	3,289,000		389,000		2,900,000	9,473,000	-	6,573,000		2,900,000
ANC	Equipment	4,999,000		4,999,000			2,368,000		2,368,000			2,631,000	-	2,631,000		-
ANC	Field Maintenance Facility	32,000,000	2,600,000	29,400,000			10,000,000	2,600,000	7,400,000			22,000,000	-	22,000,000		-
LHD	GA Parking and Taxiway Relocation	3,186,000	2,700,000	486,000			3,186,000	2,700,000	486,000			-	-	-		-
ANC	Information Technology Improvements	1,053,000		1,053,000			658,000		658,000			395,000	-	395,000		-
LHD	Lake Dredging and Bank Stabilization	1,270,000	1,150,000	120,000								1,270,000	1,150,000	120,000		-
ANC	Land Acquisition and Mitigation	3,289,000	2,000,000	1,289,000								3,289,000	2,000,000	1,289,000		-
ANC	Master Plan	2,486,000	2,000,000	486,000			1,248,000	1,000,000	248,000			1,248,000	1,000,000	248,000		-
ANC	Noise Abatement Program Implementation	5,282,000	4,750,000	512,000			2,631,000	2,400,000	231,000			2,631,000	2,350,000	281,000		-
ANC	NT Waterline Replacement	4,902,000		4,902,000			4,902,000		4,902,000			-	-	-		-
ANC	Old International Airport Road Upgrade	998,000		998,000								998,000	-	998,000		-
ANC	Roads, Utilities & Grounds Constr and Upgrades	4,539,000		4,539,000			1,579,000		1,579,000			2,960,000	-	2,960,000		-
ANC	Security/Safety/Access Control Improvements	1,249,000	750,000	499,000			789,000	750,000	39,000			460,000	-	460,000		-
ANC	Security/Safety/Emergency and Access Control/Comm	14,500,000	4,500,000	10,000,000			14,500,000	4,500,000	10,000,000			-	-	-		-
ANC	Site Development Preparation	7,354,000		7,354,000			7,354,000		7,354,000			-	-	-		-
ANC	Taxiway/Runway Improvements	6,075,000	5,500,000	575,000			1,939,000	1,800,000	139,000			4,136,000	3,700,000	436,000		-
ANC	Terminal Rehabilitation	14,538,000		14,538,000			4,934,000		4,934,000			9,604,000	-	9,604,000		-
ANC	Terminal Relocations	5,000,000				5,000,000	5,000,000				5,000,000	-	-	-		-
<b>ANC Total</b>		<b>\$ 167,100,000</b>	<b>\$ 45,500,000</b>	<b>\$ 108,188,000</b>	<b>\$ -</b>	<b>\$ 13,432,000</b>	<b>\$ 88,486,000</b>	<b>\$ 25,850,000</b>	<b>\$ 53,420,000</b>	<b>\$ -</b>	<b>\$ 9,218,000</b>	<b>\$ 78,814,000</b>	<b>\$ 19,650,000</b>	<b>\$ 54,748,000</b>	<b>\$ -</b>	<b>\$ 4,218,000</b>

<b>FAI</b>		<b>Total</b>					<b>FY 02</b>					<b>FY 03</b>				
<b>Description</b>	<b>FY 02/03</b>	<b>AIP</b>	<b>Bonds</b>	<b>PFC</b>	<b>IARF</b>	<b>FY 02</b>	<b>AIP</b>	<b>Bonds</b>	<b>PFC</b>	<b>IARF</b>	<b>FY 03</b>	<b>AIP</b>	<b>Bonds</b>	<b>PFC</b>	<b>IARF</b>	
FAI	Terminal Imp. Ph 2 Const.	3,990,000		438,900	3,551,100	3,990,000		438,900	3,551,100			-	-	-	-	
FAI	Terminal Roof Repl. Const.	2,450,000	2,284,600	165,400		2,450,000	2,284,600	165,400				-	-	-	-	
FAI	Equipment	1,807,000		1,367,000	440,000	975,000		535,000	440,000		832,000	-	832,000		-	
FAI	Drainage Improvements Ph. 3	1,650,000	1,538,700	111,300		135,000	-	135,000.00			1,515,000	1,538,700	(23,700)		-	
FAI	East Side Utilities Ph. 2	1,450,000		1,450,000							1,450,000	-	1,450,000		-	
FAI	Annual Improvements	700,000			700,000	350,000				350,000	350,000	-	-		350,000	
FAI	Environmental	500,000		500,000							500,000	-	500,000		-	
FAI	ARFF Facility Repairs	400,000		400,000		400,000		400,000			-	-	-		-	
FAI	Preliminary Planning	400,000		400,000							400,000	-	400,000		-	
FAI	Terminal HVAC	2,700,000	2,517,800	182,200							2,700,000	2,517,800	182,200		-	
<b>FAI Total</b>		<b>\$ 16,047,000</b>	<b>\$ 6,341,100</b>	<b>\$ 5,014,800</b>	<b>\$ 3,991,100</b>	<b>\$ 700,000</b>	<b>\$ 8,300,000</b>	<b>\$ 2,284,600</b>	<b>\$ 1,674,300</b>	<b>\$ 3,991,100</b>	<b>\$ 350,000</b>	<b>\$ 7,747,000</b>	<b>\$ 4,056,500</b>	<b>\$ 3,340,500</b>	<b>\$ -</b>	<b>\$ 350,000</b>

<b>AIAS Total</b>	<b>\$ 183,147,000</b>	<b>\$ 51,841,100</b>	<b>\$ 113,182,800</b>	<b>\$ 3,991,100</b>	<b>\$ 14,132,000</b>	<b>\$ 96,786,000</b>	<b>\$ 28,134,600</b>	<b>\$ 55,094,300</b>	<b>\$ 3,991,100</b>	<b>\$ 9,566,000</b>	<b>\$ 86,361,000</b>	<b>\$ 23,706,500</b>	<b>\$ 58,088,500</b>	<b>\$ -</b>	<b>\$ 4,566,000</b>
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*11/1/01  
2:50 PM  
2001*

WORK DRAFT

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22-LS0969A  
Cook  
4/25/01Cowdry  
4-26-01

## SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY SENATOR COWDERY

Introduced:  
Referred:

## A BILL

## FOR AN ACT ENTITLED

1 "An Act relating to international airports revenue bonds and to the spending plan for  
2 the International Airports Construction Fund; and providing for an effective date."

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

4 \* Section 1. AS 37.15.410 is amended to read:

5       **Sec. 37.15.410. Bond authorization.** For the purpose of providing part or all  
6 of the money to be used, with or without any grants or other money that may become  
7 available, the issuance and sale of revenue bonds of the state in a total principal sum  
8 not to exceed \$452,900,000 [\$305,000,000] is authorized to acquire, equip, construct,  
9 and install the additions, improvements, extensions, and facilities authorized in  
10 AS 37.15.510. The principal of and interest on these bonds shall be paid out of and  
11 secured by the gross revenue derived by the state from the ownership, lease, use, and  
12 operation of the airports, and of all the facilities of them, and out of any other money  
13 that may be appropriated for the purpose.

14 \* Sec. 2. AS 37.15.420(c) is amended to read:

WORK DRAFT

WORK DRAFT

22-LS0969A

- 1 (c) By January 1 of each year, the commissioner of transportation and public  
2 facilities shall submit to the legislature an annual spending plan that contains  
3 information regarding the planned expenditure of money from the construction fund  
4 during the next fiscal year and information on certain expenditures made during  
5 the previous fiscal year. The spending plan must include
- 6 (1) the total amount of money to be spent from the construction fund;  
7 (2) a description of the work to be performed on airport facilities that  
8 will be financed with money from the construction fund;
- 9 (3) the amount from the construction fund that will be spent under  
10 contracts with the private sector and a description of the goods or services to be  
11 provided to the state under each of the contracts;
- 12 (4) the amounts that the state will spend from the construction fund for  
13 purposes other than contract payments and a description of each of those purposes,  
14 including financing costs, administrative and other overhead costs, and contingencies;
- 15 (5) the amounts spent during the previous fiscal year for cost  
16 overruns on projects financed in whole or part with money from the construction  
17 fund and the sources of money used for those cost overruns;
- 18 (6) identification of time delays that occurred during the previous  
19 fiscal year on projects financed in whole or part with money from the  
20 construction fund and amounts spent as a result of the delays.
- 21 \* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

JOHNS  
DESK  
COPY

22-LS0969A  
Cook  
4/25/01

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY SENATOR COWDERY

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9 and install the additions, improvements, extensions, and facilities authorized in  
10 AS 37.15.510. The principal of and interest on these bonds shall be paid out of and  
11 secured by the gross revenue derived by the state from the ownership, lease, use, and  
12 operation of the airports, and of all the facilities of them, and out of any other money  
13 that may be appropriated for the purpose.

14 \* Sec. 2. AS 37.15.420(c) is amended to read:

ordered a final  
version —  
8:38 4/30  
\$5 million less

1 (c) By January 1 of each year, the commissioner of transportation and public  
2 facilities shall submit to the legislature an annual spending plan that contains  
3 information regarding the planned expenditure of money from the construction fund  
4 during the next fiscal year and information on certain expenditures made during  
5 the previous fiscal year. The spending plan must include

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8 will be financed with money from the construction fund;

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10 contracts with the private sector and a description of the goods or services to be  
11 provided to the state under each of the contracts;

12 (4) the amounts that the state will spend from the construction fund for  
13 purposes other than contract payments and a description of each of those purposes,  
14 including financing costs, administrative and other overhead costs, and contingencies;

15 (5) the amounts spent during the previous fiscal year for cost  
16 overruns on projects financed in whole or part with money from the construction  
17 fund and the sources of money used for those cost overruns;

18 (6) identification of time delays that occurred during the previous  
19 fiscal year on projects financed in whole or part with money from the  
20 construction fund and amounts spent as a result of the delays.

21 \* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

ALASKA STATE LEGISLATURE  
SENATE DISTRICT I

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John J. Cowdery  
Senate Transportation Committee, Chair  
World Trade and State & Federal Relations  
LEGISLATIVE COUNCIL, RULES, JUDICIARY

April 24, 2001

**Committee Meeting Agenda**

May 1, 2001

SB *218*

A Bill – Short Title “International Airport Bonds”.

Meeting in the Butrovich Room  
1:30 pm

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR COWDERY

TO: SB 218

1 Page 1, line 1, following "relating to":

2 Insert "certain fees used to construct new special purposes facilities; relating to"

3

4 Page 1, following line 3:

5 Insert a new bill section to read:

6 **\*\* Section 1.** AS 02.15.090(a) is amended to read:

7 (a) In operating an airport or air navigation facility owned or controlled by the  
8 state, the department may enter into contracts, leases, and other arrangements covering  
9 periods not exceeding 55 years with a person, municipality, or the United States,  
10 granting the privilege of using or improving an airport or air navigation facility or a  
11 portion of it or space in it for commercial, governmental, or other public purposes,  
12 including private plane tie down, or conferring the privilege of supplying goods,  
13 commodities, services, or facilities at an airport or air navigation facility. The  
14 department may levy, impose, collect, or require another person to collect and  
15 remit uniform customer user fees for the purpose of paying for the capital costs,  
16 debt service amounts, and operation, repair, and maintenance expense in  
17 connection with car rental facilities and other special purpose facilities. These  
18 customer user fees are not a revenue, fee, charge, or rental derived by the state  
19 from the ownership, lease, use, and operation of the airports and facilities,  
20 improvements of airports and facilities, and facilities and improvements used in  
21 connection with airports and facilities for the purpose of AS 37.15.410 -  
22 37.15.550, provided that the customer user fees are used to construct new special  
23 purpose facilities or are pledged to fund special revenue bonds required to  
24 construct new special purpose facilities, the special purpose facilities do not

1        require funds from the International Airports Construction Fund (AS 37.15.420),  
2        and the customer user fees imposed do not displace or replace any revenue, fee,  
3        charge, or rental fee already pledged to the International Airports Revenue Fund  
4        (AS 37.15.430). The department may establish the terms and conditions and fix the  
5        charges, rentals, and fees for the privileges or services that are reasonable and uniform  
6        for the same class of privilege or service. Charges, rentals, or fees authorized by this  
7        subsection may be fixed for the international airports by order of the commissioner or  
8        by negotiated or competitively offered contract. Notwithstanding AS 37.10.050(a),  
9        the fixing of charges, rentals, or fees as permitted under this subsection is not subject  
10       to the adoption of regulation provisions of AS 44.62 (Administrative Procedure Act).  
11       The terms, conditions, charges, rentals, and fees shall be established with due regard to  
12       the property and improvements used and the expense of operation to the state.  
13       However, use of state land and buildings by the Alaska Wing, Civil Air Patrol and its  
14       squadrons shall be permitted without rental charges. If the department permits space  
15       in state-owned or state-controlled airports to be used as lounges for members of the  
16       United States armed forces, the Alaska National Guard, the Alaska Naval Militia, or  
17       the Alaska State Defense Force, and if the lounges are operated by persons exempt  
18       from taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code), rent may not be  
19       charged for the use of the space. The department shall provide for public notice and  
20       an opportunity to comment before a charge, rental, or fee is fixed by order of the  
21       commissioner as permitted under this subsection. The public may not be deprived of  
22       its rightful, equal, and uniform use of the airport, air navigation facility, or a portion of  
23       them."

24

25    Page 1, line 4:

26        Delete "\* Section 1."

27        Insert "\* Sec. 2."

28

29    Renumber the following bill sections accordingly.

WORK DRAFT

WORK DRAFT

WORK DRAFT

22-LS09691A  
Cook  
4/25/01  
Cowdry  
(2210)

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY SENATOR COWDERY

Introduced:  
Referred:

A BILL

FOR AN ACT ENTITLED

*insert language that follows*

1 "An Act relating to international airports revenue bonds and to the spending plan for  
2 the International Airports Construction Fund; and providing for an effective date."

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

4 \* Section 1. AS 37.15.410 is amended to read:

5       Sec. 37.15.410. Bond authorization. For the purpose of providing part or all  
6 of the money to be used, with or without any grants or other money that may become  
7 available, the issuance and sale of revenue bonds of the state in a total principal sum  
8 not to exceed \$452,900,000 [~~\$305,000,000~~] is authorized to acquire, equip, construct,  
9 and install the additions, improvements, extensions, and facilities authorized in  
10 AS 37.15.510. The principal of and interest on these bonds shall be paid out of and  
11 secured by the gross revenue derived by the state from the ownership, lease, use, and  
12 operation of the airports, and of all the facilities of them, and out of any other money  
13 that may be appropriated for the purpose.

14 \* Sec. 2. AS 37.15.420(c) is amended to read:

charge, rental, or fee is fixed by order of the commissioner as permitted under this subsection. The public may not be deprived of its rightful, equal, and uniform use of the airport, air navigation facility, or a portion of them.

ALASKA STATE LEGISLATURE  
SENATE DISTRICT I

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John J. Cowdery  
Senate Transportation Committee, Chair  
World Trade and State & Federal Relations  
LEGISLATIVE COUNCIL, RULES, JUDICIARY

April 24, 2001

**Committee Meeting Agenda**

May 1, 2001

SB \_\_\_ A Bill -- Short Title "International Airport Bonds".

Meeting in the Butrovich Room  
1:30 pm

Post-it® Fax Note	7671	Date	5/1/01	# of pages	3
To	Don Smith	From	Bab Evans		
Co./Dept.		Co.			
Phone #		Phone #			
Fax #		Fax #			

Revision 3  
May 1, 2001

Insert into title:

"allocating customer user fees to finance the construction and operation of car rental facilities at International Airports"

AS 02.15.090(a) is amended to provide:

(a) In operating an airport or air navigation facility owned or controlled by the state, the department may enter into contracts, leases, and other arrangements covering periods not exceeding 55 years with a person, municipality, or the United States, granting the privilege of using or improving an airport or air navigation facility or a portion of it or space in it for commercial, governmental, or other public purposes, including private plane tie down; or conferring the privilege of supplying goods, commodities, services, or facilities at an airport or air navigation facility. The department may establish the terms and conditions and fix the charges, rentals, and fees for the privileges or services that are reasonable and uniform for the same class of privilege or service. The department may levy, impose, collect, or require third parties to collect and remit uniform customer user fees for the purpose of paying for the capital costs, debt service amounts, and operation, repair and maintenance expense, all in connection with car rental facilities to be built at airports as defined by AS 37.15.550(1). Such customer user fees shall not be considered a revenue, fee, charge or rental derived by the state from the ownership, lease, use, and operation of the airports and all of the facilities and improvements of them and facilities and improvements used in connection with them for the purpose of AS 37.15.410 through .550, provided that such customer user fees are used to construct new car rental facilities, or to pay for their operation, repair and maintenance; such customer user fees are pledged to fund special revenue bonds required to construct such special purpose facilities; the special purpose facility does not require funds from the International Airports Construction Fund; and the imposition of the customer user fee does not displace or replace any revenue, fee, charge and/or rental fee already pledged to the International Airports Revenue Fund. Charges, rentals, or fees authorized by this subsection may be fixed for the international airports by order of the commissioner or by negotiated or competitively offered contract. Notwithstanding AS 37.10.050(a), the fixing of charges, rentals, or fees as permitted under this subsection is not subject to the adoption of regulation provisions of AS 44.62 (Administrative Procedure Act). The terms, conditions, charges, rentals, and fees shall be established with due regard to the property and improvements used and the expense of operation to the state. However, use of state land and buildings by the Alaska Wing, Civil Air Patrol and its squadrons shall be permitted without rental charges. If the department permits space in state-owned or state-controlled airports to be used as lounges for members of the United States armed forces, the Alaska National Guard, the Alaska Naval Militia, or the Alaska State Militia and if the lounges are operated by persons exempt from taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code), rent may not be charged for the use of the space. The department shall provide for public notice and an opportunity to comment before a

rewrite

call into  
(problems)

ALASKA STATE LEGISLATURE  
SENATE DISTRICT I

**Interim:**  
716 West 4<sup>th</sup> Ave.  
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**John J. Cowdery**  
Senate Transportation Committee, Chair  
World Trade and State & Federal Relations  
LEGISLATIVE COUNCIL, RULES, JUDICIARY

**SPONSOR STATEMENT**

**SB 218**

Senate Bill 218 authorizes the sale of \$142.9 million in international airport system revenue bonds to support capital improvement programs of the AIAS for fiscal years 2002 and 2003.

The AIAS and the state's major air carriers propose to continue developing our international airport system through implementation of a new international airports system operating agreement. Under the agreement, that development would be accomplished by using revenue bonds.

The airlines have requested, and the airport system has agreed, to shift to revenue bond financing rather than the historic method of funding capital improvements through annual capital charges paid by the airlines. While repayment of the bonded debt and annual debt service would still be covered by charges paid by the airlines, revenue bonds would allow payment to be spread over periods of time such as the useful life of airport projects.

**Sponsor Substitute for House Bill No. 120 am  
Summary**

**This bill reduces the risk of putting the wrong person in a sensitive position because of an incomplete criminal history report. It makes criminal history reports more complete and accurate in three ways:**

**(1) It adopts the National Crime Prevention and Privacy Compact.**

- The Compact allows Alaska to get out-of-state criminal records directly from other states instead of having to rely on duplicate records maintained by the FBI.
- Whether by policy or oversight, states typically do not submit copies of all their records to the FBI, so Compact states will get more information from one another than from the FBI.

**(2) It allows more relevant information in criminal reports authorized by Alaska law.**

- It allows reports to include identifying information such as mugshots.
- It lifts a ban restricting reports to convictions within ten years of unconditional discharge. This restriction hides potentially relevant information regardless of seriousness or recidivism.

**(3) It provides special protection for children and vulnerable adults.**

- Findings of "not guilty by reason of insanity" are currently barred from reports used to screen child and senior caretakers; the bill lifts that restriction and also allows decision makers to research questionable or missing dispositions if appropriate.
- Reports will include all criminal offenses instead of being restricted to a statutorily defined list which omits such relevant misdemeanors as: *Endangering the Welfare of a Minor, Failure to Report a Crime Against a Child, Harassment, and Recruiting a Gang Member.*

**Over 20,000 criminal history reports are relied upon each year by those authorized under Alaska law to screen applicants for sensitive positions and licenses, including:**

- Foster Parent Licenses (AS 47)
- Teacher Certification (AS 14.20)
- School Bus Driver Licenses (AS 28.17)
- Child Care Facility Licenses
- Security Guards (AS 18.65)
- Domestic Violence & Sexual Assault Pgms
- Assisted Living Homes (AS 47.33)
- Nursing Homes (AS 18.20)
- Insurance Agencies (AS 21.27)
- Collection Agencies (AS 8.24)
- Alaska Bar Association (AS 8.08)
- Batterers Intervention Programs

# STATE OF ALASKA

## DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR

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February 9, 2001

Honorable John Cowdery  
Chair, Transportation Committee  
State Capitol, Room 101  
Juneau, AK 99801

Re: SB36 request for information

Dear Senator Cowdery: *John*

Thank you for hearing SB 36, a bill to authorize revenue bonds for financing capital improvements at the Alaska International Airport System. The legislation is important for the airport system and is essential for continued economic development at Anchorage and Fairbanks. I know you have been a strong supporter of private sector construction. There may be no single bigger construction opportunity for the private sector over the next two years than is represented in this legislation. Swift passage of this bill will ensure construction continues on schedule.

At the hearing on January 23, 2001, a question was asked about the relationship between projects identified in the bill and the Terminal Redevelopment project. The Terminal Redevelopment Project budget of \$230,000,000 is a combination of Airport Revenue Bonds, FAA Funds, and FHWA funding. The current CIP Revenue Bond proposal includes funding for certain airport improvements not part of the original Terminal Redevelopment scope. To facilitate orderly and timely flow of construction, some of these additional CIP elements must be integrated and accomplished as part of the various terminal construction contracts. The total amount of these "overlap" CIP projects is approximately \$ 8,700,000.

Below is a description of these "overlap" CIP project elements:

<b>HAZMAT Abatement</b>	<b>\$5,000,000</b>
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Due to the uncertainty associated with the degree and extent of Hazmat within the existing terminal structures, the project budget for the Terminal Redevelopment Project excluded all but minor amounts for known remediation needs. The preferred approach to dealing with Hazmat, as agreed with the airlines, was to address funding needs as they became known and better defined. In conjunction with Concourse C Demolition and the renovations to portions of the existing Ticket Lobby, extensive abatement of unanticipated asbestos containing materials (ACM) was required. Additional hazardous material abatement will also be required to complete the remaining South Terminal renovations. The current estimate for South Terminal related abatement is \$5 million.

**Access Control System****\$2,000,000**

Security Access Control for both the Domestic and International Terminals was to be accomplished under a previously authorized CIP project and was therefore excluded from the original scope and budget for the Terminal Redevelopment Project. The recently completed installation of the new Access control system for the International Terminal and portions of the Domestic Terminal consumed the authorized funding. The estimated cost for remaining Access Control Systems that will support the new Concourse C and the balance of the existing terminal is \$2 million. The Access Control Systems will be added the Phase II – Concourse C – Building Completion contract and to the Ticket Lobby and Concourse B Renovation contracts.

**Medium Voltage Project****\$1,000,000**

A separate CIP project for a Medium Voltage Distribution System was originally authorized in FY96. The cost of Phase I and II of this project collectively exceed the authorized CIP funding level. This Medium Voltage underground electrical loop was not part of the original Terminal Redevelopment Project scope of work. However, to proceed with construction of Concourse C and avoid delay, it was necessary to complete portions of the Phase II work under the Terminal Project. This CIP funding increment will pay for these additional costs.

**Furnishings and Equipment****\$ 700,000**

This CIP funding will provide new/upgraded Airport furnishings, equipment and interior landscaping components (planters, etc.) throughout the new and remodeled concourses. These furnishings and equipment are the “non built-in” components which are in addition to the permanent features being constructed as part of the new Concourse C and remodel of the existing terminal space.

Airline/Concession Relocation (\$5,000,000) is an additional project that was originally included in the list of projects for bond funding. This CIP funding will pay for airline and concessions/retail relocation costs as negotiated based on the terms of current lease agreements. Some of this relocation work will be accomplished in conjunction with the construction of the new Concourse C, other portions may be accomplished directly by the tenants. These costs are beyond the level of the tenant relocations included in the original scope of the Terminal Redevelopment Project. The airlines have recently requested this project be funded from the International Airport Revenue Fund rather than with revenue bonds. Therefore, the department will be requesting an amendment to reduce bond authorization in SB 36 by \$5,000,000.

Sincerely,



Joseph L. Perkins, P.E.  
Commissioner