

**HB**

**500**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

REPORTED OUT  
MAY 01 2006  
SENATE FINANCE COMMITTEE  
*Rule*

DATE: 4/22/06

FURTHER:

DATE TURNED IN TO OFFICE: 5/1/06

Finance Committee considered

HOUSE BILL NO. 500

## HB 500 BONDING AUTHORITY FOR HATCHER PASS

"An Act amending the principal amount of bonds that may be issued by the Alaska Industrial Development and Export Authority for the purpose of financing the development of Hatcher Pass."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**CS Senate Bill:**  
 Same Title  
 New Title

**SCS House Bill:**  
 Same Title  
 Technical Title Change  
 New Title w/ SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#
DCFA	4/14/06			✓	

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:		DO PASS	DO NOT PASS	NO REC	AMEND
Hoffman	<i>[Signature]</i>			✓	
Olson	<i>[Signature]</i>			✓	
Dyson	<i>[Signature]</i>	✓			
Stedman	<i>[Signature]</i>	✓			
Willcen	COCHAIR: <i>[Signature]</i>	✓			
Green	COCHAIR: <i>[Signature]</i>	✓			

# FISCAL NOTE

**REPORTED OUT**  
**MAY 01 2006**  
 SENATE FINANCE COMMITTEE

STATE OF ALASKA  
 2006 LEGISLATIVE SESSION

Fiscal Note Number: 1  
 Bill Version: HB 500  
 (H) Publish Date: 4/18/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Commerce  
 Title Bonding Authority for Hatcher Pass RDU AIDEA (125)  
 Component AIDEA  
 Sponsor House Finance by Request  
 Requester House Finance Component No. 1234

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

FUND SOURCE	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2006) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill provides AIDEA bonding authorization to finance the development of Hatcher Pass. The principal amount of the bonds and other financing provided by the authority may not exceed \$25 million. This bill replaces AIDEA's existing bonding authorization of \$15 million to finance the construction and improvement of phase 1 of the Hatcher Pass Ski Resort.

Prior to issuing bonds, AIDEA will be required to conduct a feasibility, market and risk analysis of the project as outlined in AS 44.88.095(c). The bond authorization has no fiscal impact on AIDEA operations.

Prepared by: Sara Fisher-Goad, Financial Analyst Phone 907-269-4623  
 Division Alaska Industrial Development and Export Authority Date/Time 4/14/06 11:52 AM  
 Approved by: William C. Noll, Commissioner Date 4/14/2006  
 Agency Commerce, Community, and Economic Development

COMMITTEE COPY

# ALASKA STATE LEGISLATURE

**Vice Chair:**  
House Finance Committee

**Chair:**  
House Finance Subcommittees for:  
Department of Public Safety  
Department of Law



**Session:**  
Alaska State Capitol  
Juneau, AK 99801-1182  
Phone: (907) 465-4958  
Fax: (907) 465-4928

**Interim:**  
PO Box 464  
Chugiak, AK 99567

## BILL STOLTZE STATE REPRESENTATIVE

Representative\_Bill\_Stoltze@legis.state.ak.us

### House Bill 500

#### Bonding Authority for Hatcher Pass

*"An act amending the principal amount of bonds that may be issued by the Alaska Industrial Development and Export Authority for the purposes of financing the development of Hatcher Pass."*

The Matanuska-Susitna Borough has been working with JL Properties, Inc. and the Alaska Industrial Development and Export Authority in examining the potential for a Hatcher Pass Development Project. House Bill 500 will allow them to take the next step in discussing the financing for this project.

The provisions of HB 500:

- Amend the current language so that AIDEA may issue bonds or provide other financing for the development of Hatcher Pass, not just the construction and improvement of phase 1 of a ski resort.
- Increase the principal amount of the bonds and other financing AIDEA may provide from \$15 million to \$25 million.

I ask for your consideration and support of HB 500.

DISTRICT 16

BIRCHWOOD • BUTTE • CHUGIAK • EKLUTNA • FAIRVIEW LOOP  
KNIK RIVER ROAD • LAZY MOUNTAIN • PALMER • PETERS CREEK



## MATANUSKA-SUSITNA BOROUGH

### Borough Manager

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 745-9688 • Fax (907) 745-9669

[jduffy@matsugov.us](mailto:jduffy@matsugov.us)

April 3, 2006

The Honorable Bill Stoltze  
Alaska State House of Representatives  
State Capitol, Room 421  
Juneau, AK 99801-1182

Dear Representative Stoltze:

As you may know, on October 18, 2005, the Matanuska-Susitna Borough Assembly unanimously approved AM No. 05-181 to authorize the Borough Manager to complete negotiations with JL Properties, Inc., on the Development Agreement for the Hatcher Pass Recreational Development Project. The Hatcher Pass development proposal requires legislation that allows AIDEA to participate under its Development Finance Program.

We believe that the prudent development of the Hatcher Pass area will create significant economic development benefits and recreational opportunities for the residents of the Matanuska-Susitna Borough. We respectfully request your support and assistance in forwarding legislation, which will allow us to proceed with the development of a definitive plan for this important Borough project.

Sincerely,

  
John Duffy  
Borough Manager

JD:ds

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

MATANUSKA-SUSITNA BOROUGH INFORMATION MEMORANDUM IM No. 06-140

SUBJECT: Supporting the adoption of legislation to expand AIDEA financing authorization to fully participate in the Hatcher Pass Ski Area Project.

AGENDA OF: April 18, 2006

ASSEMBLY ACTION: RS 06-057 was approved as amended. Assemblymember Colberg opposed. 4/18/06 Lem

MANAGER RECOMMENDATION: Present to the assembly for consideration.

APPROVED BY JOHN DUFFY, BOROUGH MANAGER: [Signature]

Route To:	Department/Individual	Initials	Remarks
	Originator	M. J. Colver	
	Public Works Director		
	Planning and Land Use Director		
	Community Development Director		
	Emergency Services Director		
	Finance Director		
1	Borough Attorney	CJA	4/10/06
2	Borough Clerk	M. Lem	4/10/06

ATTACHMENT(S): Fiscal Note: Yes \_\_\_; No X  
Resolution Serial No. 06-057

SUMMARY STATEMENT: The attached sponsored legislation is being proposed at the request of Assemblymember Colver in support of adopting legislation to expand AIDEA financing authorization to fully participate in the Hatcher Pass ski area project.

RECOMMENDATION OF ADMINISTRATION: Present for Assembly consideration.

Sponsor: Assemblymember Colver  
Amended: 04/18/06  
Adopted: 04/18/06

MATANUSKA-SUSITNA BOROUGH  
RESOLUTION SERIAL NO. 06-057 (AM)

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY SUPPORTING THE ADOPTION OF LEGISLATION TO EXPAND THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY'S (AIDEA) FINANCING AUTHORIZATION TO FULLY PARTICIPATE IN THE HATCHER PASS SKI AREA PROJECT.

WHEREAS, the Hatcher Pass ski area project is an economic development, tourism, and recreational goal of the Matanuska-Susitna Borough; and

WHEREAS, the Hatcher Pass ski area will create long term business and employment opportunities within the Matanuska-Susitna Borough and South-central Alaska; and

WHEREAS, the Borough, through a competitive process, selected a private sector firm, JL Properties, to develop the Hatcher Pass ski area project; and

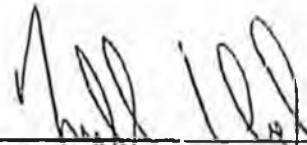
WHEREAS, the proposed financing plan has been prepared and it includes funding from the JL Properties, the Borough, and the Alaska Industrial Development and Export Authority (AIDEA); and

WHEREAS, the AIDEA is seeking, through new legislation, the authority to participate in the Hatcher Pass ski area project in the amount of \$25 million, increasing the level presently authorized; and

WHEREAS, AIDEA's participation in the Hatcher Pass ski area project is critical to the ultimate success of the project.

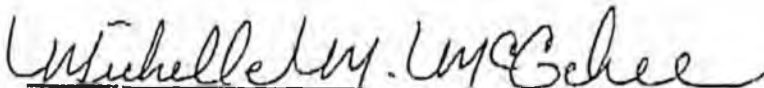
NOW, THEREFORE, BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly supports the adoption of House Bill 500 to authorize AIDEA to finance up to \$25 million, to fully participate in the Hatcher Pass ski area project.

ADOPTED by the Matanuska-Susitna Borough Assembly this 18 day of April, 2006.



TIMOTHY L. ANDERSON, Borough Mayor

ATTEST:

  
MICHELLE M. MCGEHEE, CMC, Borough Clerk

(SEAL)

YES: Woods, Bettine, Colver, and Vehrs

NO: Colberg