

SB

105

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
 MAR 26 2007
 SENATE FINANCE COMMITTEE

DATE: 3/23/07

FURTHER:

 DATE TURNED IN TO OFFICE: 3/26/07
Finance Committee considered SENATE BILL NO. 105

SB 105 REIMBURSEMENT FOR MUNICIPAL DEBT

"An Act relating to reimbursement to municipalities by the Department of Transportation and Public Facilities for debt incurred by those municipalities for certain capital projects; and providing for an effective date."

and recommends:

- be replaced with SCS or CS _____ (_____)
- adopt previous SCS or CS SB 105 (TRA)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:

Same Title
 New Title

HOUSE BILL:

Same Title
 Technical Title Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

 APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Eiler	✓			
	Thomas	✓			
	Dyson	✓			
	Huggins	✓			
	Olson			✓	
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Sledman	✓			

FISCAL NOTE

REPORTED OUT
MAR 26 2007
 SENATE FINANCE COMMITTEE

STATE OF ALASKA
 2007 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSSB 105(TRA)
 (S) Publish Date: 3/23/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title Reimbursement for Municipal Debt RDU Community Assist & Ec Dev (405)
 Component Community Advocacy
 Sponsor Hoffman
 Requester Senate Transportation Component No. 2703

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
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						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation amends AS 29.60.700 (a) to extend from July 1, 2007 to July 1, 2012 the date by which the Department of Transportation and Public Facilities may reimburse municipalities for debt incurred on certain projects. This legislation has no fiscal impact on the operations of division.

Prepared by: Mike Black, Director
 Division: Community Advocacy
 Approved by: Emil Notti, Commissioner
 Agency: Commerce, Community, and Economic Development

Phone 907.269.4535
 Date/Time 3/19/07 5:09 PM
 Date 3/19/2007

FISCAL NOTE

REPORTED OUT
MAR 26 2007
SENATE FINANCE COMMITTEE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 105(TRA)
(S) Publish Date: 3/23/07

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
Title: Reimbursement for Municipal Debt RDU: Administrative Services
Component: Commissioner's Office
Sponsor: Sen. Hoffman
Requester: Sonate TRA Component No.: 530

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
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						
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CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill will have no fiscal impact on the Department of Transportation and Public Facilities as debt reimbursement is a separate appropriation. The cost of passing the funding through to municipalities is negligible.

Prepared by: Mary Siroky, Special Assistant
Division: Commissioner's Office
Approved by: Leo von Scheben, Commissioner
Agency: Department of Transportation and Public Facilities

Phone: 465-4772
Date/Time: 3/19/07 9:00am
Date: 3/19/2007

ALASKA STATE LEGISLATURE

Session:
State Capitol, Rm 518
Juneau, AK 99801
(907) 465-4453
Fax (907) 465-4523

Interim:
716 W. 4th Ave.
Anchorage, AK 99501
(907) 269-0269
Fax (907) 269-0270

Senator_Lyman_Hoffman@legis.state.ak.us



Co-Chair Finance Committee
Vice-Chair Legislative Budget & Audit

Committee Member:
Labor & Commerce
Legislative Council
World Trade & State/Federal Relations

SENATOR LYMAN F. HOFFMAN

SPONSOR STATEMENT

Senate Bill 105

Reimbursement for Municipal Debt for a Small Boat Harbor

The legislature passed HB 528 in 2002 as debt reimbursement for certain capital projects. Included in the list of projects was a small boat harbor in Unalaska approved for a \$5 million dollar debt reimbursement through the Department of Transportation and Public Facilities, and it has been delayed due to exhaustive permitting requirements. The permitting process started in 1996 and was just completed in 2006.

The Corps of Engineers Civil Branch is responsible for the construction and maintenance of the outer breakwaters for the project, and the city is responsible for construction of the inner harbor improvements and providing the utilities for the project. As a Corps of Engineers sponsored project, it must be authorized within the Water and Resource Development Act through Congress. The first Environmental Assessment (EA) resulted in an inability to sign a FONSI or "Finding of no significant impact". A second EA resulted in the same failure due to claims by the US Fish and Wildlife Service that the Corps had not followed the National Environmental Protection Act and demanded an Environmental Impact Statement (EIS) be accomplished. The Corps undertook and completed an EIS in 2004 but the Record of Decision was not signed until six months ago due to staff retirements in Washington DC. The total cost of permitting was well over \$3 million dollars.

The cost estimates for the Corps' responsibility, or outer breakwaters, is \$12 million dollars. The City cannot construct any part of the inner harbor improvements until the outer breakwaters are constructed. Delays in the Corps permitting process and delays in obtaining congressional appropriations have kept the City of Unalaska from obligating these funds. The required funds for the City's portion of the project are \$13 million and that money is set aside with the \$5 million dollar debt reimbursement in question as part of this financing package.

The City of Unalaska is prepared to move forward the minute that the Corps of Engineers gets the funding, however, the deadline for the debt reimbursement is June 30, 2007. SB 105 will allow the City to complete the design, prepare bid documents, and obligate the funds in time to complete the small boat harbor project.

Article 09. REIMBURSEMENT FOR COSTS OF PORT AND HARBOR BONDS

Sec. 29.60.700. Reimbursement for costs of municipal capital projects.

- (a) Subject to appropriations for the purpose, during each fiscal year, the Department of Transportation and Public Facilities shall allocate to each municipality an amount to reimburse the costs paid by the municipality during the immediately preceding fiscal year for the principal and interest on outstanding debt for projects listed in (b) of this section. An allocation may be made to a municipality only if
- (1) the debt was incurred by the municipality before July 1, 2007; and
 - (2) the project or facility financed with the debt proceeds is located in the municipality and the project or facility is operated or controlled by the municipality.
- (b) The Department of Transportation and Public Facilities may make an allocation to a municipality under (a) of this section only for reimbursement of costs incurred for the following construction and renovation projects and only for reimbursement of total project costs incurred up to the following amounts:

PROJECT

Valdez	\$ 3,013,500
Nome	\$ 1,000,000
Anchorage (Port of Anchorage expansion)	\$ 15,000,000
Matanuska-Susitna Borough (deep water port and road upgrade)	\$ 10,000,000
Unalaska (LSA small boat harbor)	\$ 5,000,000
Aleutians East Borough/Akutan (small boat harbor)	\$ 4,000,000
Lake and Peninsula Borough/Chignik (dock project)	\$ 1,000,000
Aleutians East Borough/False Pass (small boat harbor)	\$ 2,000,000
Fairbanks North Star Borough (Eielson AFB schools, maj maint)	\$ 4,500,000
City of Fairbanks (fire headquarters station replacement)	\$ 7,500,000
Saxman (public safety building)	\$ 1,500,000

CITY OF UNALASKA

P.O. BOX 610

UNALASKA, ALASKA 99685-0610

(907) 581-1251 FAX (907) 581-1417



March 5, 2007

The Honorable Lyman Hoffman
Alaska Senate Legislature
State Capital, Room 514
Juneau, Alaska 99801-1182

RE: City of Unalaska statement of support for SB 105

Senator Hoffman:

On behalf of the community of Unalaska/Dutch Harbor, I wish to personally convey my gratitude for the introduction of SB 105. The City of Unalaska fully and wholeheartedly supports passage of SB 105. The bill simply extends to 2012 the time the City has to issue its debt in the amount of \$5.0 million. The original authorization passed the legislature in 2002 as HB 528.

Due to circumstances beyond our control the project construction has been delayed and we need more time to finish the City's part of the harbor project.

This project was formally started in the mid 1990s by Representative Carl E. Moses on behalf of the City of Unalaska. The project is being pursued through the Corps of Engineers, Civil Branch, which is responsible for the construction of the breakwaters, at a cost of \$12 million. The City's responsibility for the project is to design and build the inner harbor improvements and to provide the utilities. Project costs for the City's improvements are estimated to be \$13 million.

The project has been delayed for several years by an unforeseen protracted permitting process, which cost over \$3 million, and by two Environmental Assessments and an Environmental Impact Statement, all three of which have been completed by the Corps. We are currently waiting for Congressional appropriation to place \$12 million in the Corps of Engineers budget to construct the outer breakwaters. Until the outer breakwaters are constructed, the City of Unalaska cannot install the inner harbor improvements and thus cannot obligate the funds by June 30, 2007.

We are in full support of an extension of the debt authorization to July 1, 2012 in the event that there are further delays beyond our control. This is a long-anticipated project, and we are ready to move forward with final design and construction the moment the Corps completes the outer breakwater designs and obtains the \$12 million for construction. The success of this project is dependant on the passage of SB 105, which allows the City of Unalaska to utilize debt authorized for this project by the Alaska State Legislature in 2002.

Again, I wish to thank you for your leadership in submitting this bill on our behalf, and would be pleased to answer any questions that you may have.

Sincerely,

A handwritten signature in black ink, which appears to read "Shirley Marquardt".

Mayor Shirley Marquardt

cc The Honorable Albert Kookesh, Senator
Senate Transportation Committee Members

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 3/5/07

FURTHER: Finance

Date of 5-Day Notice: 3/14/07
 (in accordance with Uniform Rule 23)

DATE TURNED
 IN TO OFFICE: 3/20/07

Transportation Committee considered SENATE BILL NO. 105

SB 105 REIMBURSEMENT FOR MUNICIPAL DEBT

"An Act relating to reimbursement to municipalities by the Department of Transportation and Public Facilities for debt incurred by those municipalities for certain capital projects; and providing for an effective date."

and recommends:

- be replaced with SCS or CS SB 105 (TRA)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input type="checkbox"/>	Same Title
<input checked="" type="checkbox"/>	New Title
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CEO	3/19/07			✓	1
DOT	3/19/07			✓	2

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	OLSON	✓			
	Wilken			✓	
	Wielechowski	✓			
	Courdey	✓			
CHAIR:	Kockesh	✓			