Leg. Finance - Finance Comte Files (1971-72) 8879

HCR 15, 18, 19, 27, 28, 35, 38, 45

187

RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

4/4/89
Date

02-519 (REV 8/78)

Relating to the Lake Minchumina Airport.

2/9/72

Committee Report

HOUSE OF REPRESENTATIVES

4/15/72
Date

Mr. Speaker

The Committee on FINANCE has had HBR 15 under consideration. A majority of the members of the Committee

/_/ recommends it do pass

/_/ recommends it do not pass

/X/ recommends it do pass with attached amendment(s)

/_/ recommends it be replaced with CS for _____ and that CS for _____ do pass

/_/ (and) recommends it be referred to the _____ committee

/_/ reports it back without recommendation

/_/ (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____
CHAIRMAN

A M E N D M E N T

Offered in the HOUSE By _____

To: _____ HOUSE BILL NO. _____

_____ SENATE BILL NO. ____

AMENDMENT: Page _____ Line _____

Alaska State Legislature

House

JUNEAU ALASKA

MEMORANDUM

TO: Mr. Holger Jorgensen, Chief
Aviation Operations
Department of Public Works

DATE: April 11, 1972

FROM: J. H. Hogan
Fiscal Analyst

RE: Maintenance of Lake Minchumina Airport

At the request of George Hohman, Chairman of the House Finance Committee, I am writing for the following information concerning the enclosed letter:

1. Who is to furnish the grader for runway maintenance?

2. What would be the rental and or utility costs for maintenance of the warm storage garage?

3. What would be the costs of the State assuming ownership of "at least one quarters building" and the annual maintenance and up-keep of those quarters?

4. What is the annual rate charged for lighting at the airport?

Lake Minchumina, Alaska, 99623
March 31, 1972

Mr. Holger Jorgensen, Chief,
Aviation Operations
Department of Public Works
4510 International Rd.
Anchorage, Alaska 99502

Dear Mr. Jorgensen:

Reference your letter of March 2, regarding maintenance of the Lake Minchumina Airport, for the $8,000 figure, I submit the following suggestion, a proposal for my maintaining the runway.

Summer maintenance: Grading the runway when necessary during the summer months.

Winter maintenance; Removing snow the full length and width, from the runway.

Equipment: Furnishing grader for runway maintenance.

Provided: The State will assume ownership of the present equipment owned by FAA presently on the station, to be used for field maintenance, consisting of the following:
1 7½yd dump truck with plow
1 3/4 T pickup truck
1 D7 caterpillar
1 Allys Chalmers tractor with mower and fork lift.
All parts for above.

Real Estate: Warm storage garage building number 300
It is necessary to have the warm storage garage.
I would suggest, also that the state assume ownership of at least one quarters building.

Lights: I will furnish lights at the same rate as charged FAA, rates posted with Public Utilities Commission.

Yours truly,

Weldon S. Holmes
Lake Minchumina,
Alaska, 99623

cc: Senators Hammond & Young
Representatives Huber & Hohman

Introduced: 2/3/72
Referred: State Affairs

IN THE HOUSE BY HUBER AND HOHMAN

HOUSE CONCURRENT RESOLUTION NO. 15

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

Relating to the Lake Minchumina Airport.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the Federal Aviation Administration has ceased to maintain the runway at Lake Minchumina, Alaska; and

WHEREAS the community is entirely dependent on air transportation for mail, supplies and all the necessities of life; and

WHEREAS planes are unable to land at Lake Minchumina because of the lack of maintenance of the runway, and the airline which serves the community has informed the residents that service must be suspended unless the airport is properly maintained; and

WHEREAS if air operations do not continue to include Lake Minchumina, the community, in a few weeks time, will be completely devoid of all electric power and telephone service, which would effectively abolish the community; and

WHEREAS the Federal Aviation Administration has offered to transfer the airport and its equipment to the state; and

WHEREAS the state has a tentative selection of three townships on the lake, making it in the state's interest to have an airport maintained in this area;

BE IT RESOLVED by the Alaska Legislature that the Governor is respectfully requested to direct the Department of Public Works to immediately take all necessary steps calculated to assume state ownership of the Lake Minchumina Airport at the earliest possible time, and thereafter to keep it properly maintained.

The Legislature of the State of Alaska
FISCAL NOTE
Second Session - Seventh State Legislature

I. REQUEST
Bill Identification: HCR 15 and SB 307
Title: Lake Minchumina Airport
Requested by: Legislative Finance Date: February 9, 1972
Return Date Requested: February 18, 1972
Agency: Department of Public Works Program:

II. FISCAL DETAIL
Budget Request Unit(s) Affected: VIII C 3a i
A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100	PERSONAL SERVICES	3,295	13,905	14,670	15,492	16,344	17,243
200	TRAVEL	1,200	800	300	300	300	300
300	CONTRACTUAL	2,455	14,000	11,000	11,605	12,243	12,916
400	COMMODITIES	3,250	9,250	9,759	10,296	10,862	11,459
500	EQUIPMENT		107,000	5,000	750	24,000	2,000
600	LAND & STRUCTURES		1,500	500	500	500	500
700	GRANTS, CLAIMS, ETC.						
	TOTAL	10,200	146,455	41,229	38,943	64,249	44,418

B. FUNDING: (Thousands of dollars)

GENERAL FUND	10,200	146,455	41,229	38,943	64,249	44,418
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/ 1	1 /	1 /	1 /	1 /	1 /
MAN MONTHS (P./T.)	/ 5	8 /	8 /	8 /	8 /	8 /

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

A. Facts relating to the matter are contained in the attached copies of correspondence dated January 21, 1972 to Senator Hammond and Senator Young.

B. Appropriation request is contained in Senate Bill 307.

C. If maintenance is approved for FY 73 an increase in the amount shown above must be included in the budget.

D. See attached statement.

IV. ATTACHMENTS

V. DATE: February 10, 1972 PREPARED BY: S/ Victor G. Schmidt
Director
Division of Aviation

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

ATTACHMENT TO FISCAL NOTE

HCR 15 and Senate Bill 307

In order to stay within the $10,200 requested in S.B. 307 for maintenance of the Minchumina Airport in FY 72, Personal Services, Code 100, is based on one temporary AEO II at 75 hours per month for five months. Only 2,500 feet of unlighted runway on the airport would be maintained. FY 73-77 provides for an AEO II, Full-time, for eight months to maintain the runway full length and width.

FY 73-77, Codes 100, 300, and 400, reflects a 5.5 percent inflationary factor. Large increases in Code 500, Equipment, in FY 73 allows for three new pieces of equipment consisting of a TU-3 Snowblower, $50,000, a motor grader, $32,000, and a small Cat such as a John Deere 450, $20,000, and miscellaneous shop equipment, $5,000,; a new 4X4 pickup in FY 74; and a truck equipped with a snow plow in FY 76.

Minchumina Airport would be maintained at its present level with the exception of field lighting. Lighting is not provided for in the budget figures due to the low aircraft usage of the airport. If the field is required to be lighted, this would increase Code 300, Contractual Services, by approximately one-third. The job will require an Auto Equipment Operator II, permanent-part-time, Range 13, salary for eight months $9,760, Benefits at $1,659, plus other related codes as shown in Section II. All funding would be from the General Fund.

January 27, 1972

Honorable Donald E. Young
Alaska State Senate
Pouch "V" State Capitol Building
Juneau, Alaska 99801

Dear Senator Young:

Thank you for your letter advising me of the situation at Lake Minchumina. I had previously been advised by the Division of Aviation of the discontinuation of maintenance by the FAA, and at that time was provided circumstantial information regarding the matter which was contrary to the information contained in a copy of a letter from Mr. Holmes. As a result of the obvious disparity in information, I have conducted an independent investigation through the Division of Aviation regarding the matter. Following is a summary of the facts as I have found them:

1. Residents at Lake Minchumina

   Kenneth Granroth
   Val Blackburn
   W. S. Holmes
   Frances H. Holmes

2. Residents on the other side of the Lake

   Tom Flood
   Mary Flood
   Hjalmer Carlson

3. Non-Residents

   Leonard Hanks - moved to Tanana
   Hazel Hanks - moved to Tanana
   Richard Collins - summer resident only
   Florence Collins - three sub-teen children, summer resident only
   Mr. Green - spring and summer resident only
   Alfred Starr - moved to Nenana
   Paul Starr - moved to Nenana
   Fabian Casey - Fairbanks resident - flies on and off lake on skis periodically
   Boyd Haynes - moved to Big Delta
   Frank White - summer resident only

The residence of Mr. and Mrs. Robert Thompson could not be determined. He may or may not reside at Lake Winchusina.

4. Scheduled Airline Service

Wien Airlines discontinued scheduled service including mail in November.

5. Other Air Service

Light planes can operate on skis off of Lake Winchusina.

6. Equipment at the site

7 1/2 yd. dump truck with plow
1/2 ton pickup truck
3/4 ton pickup truck
D7 Caterpillar without engine

7. Cost Estimates for Maintaining Airfield for 5 months

A.	2500 foot length (labor)	$ 8,700
	Equipment repair	1,500
	Total	$10,200
B.	4600 foot runway (labor)	$11,700
	Equipment repair	1,500
	Total	$13,200

8. Conclusions

Mr. Holmes apparently desires a full 4600 feet so that fuel and supplies can be delivered by Hercules Aircraft. Twenty-five hundred feet of runway would provide for mail delivery by Wien Consolidated. We would not attempt to light the field for this infrequent use. Based on an analyses by the Division of Aviation regarding the small number of persons being served, it was their conclusion that funds could best be spent in areas of greater need. If, however, it is the desire of the Legislature to maintain this particular field, then an immediate appropriation would be required.

I will be pleased to discuss this with you in more detail should you desire.

Sincerely,

George W. Easley
Commissioner

GWE:ms

January 24, 1972

Honorable Jay S. Hammond
President of Senate
Alaska State Senate
Pouch 'V' State Capitol Building
Juneau, Alaska 99801

Dear Senator Hammond:

Thank you for your letter advising me of the situation at Lake Minchumina. I had previously been advised by the Division of Aviation of the discontinuation of maintenance by the FAA, and at that time was provided circumstantial information regarding the matter which was contrary to the information contained in a copy of a letter from Mr. Holmes. As a result of the obvious disparity in information, I have conducted an independent investigation through the Division of Aviation regarding the matter. Following is a summary of the facts as I have found them:

1. Residents at Lake Minchumina

   Kenneth Granroth
   Val Blackburn
   W. S. Holmes
   Frances H. Holmes

2. Residents on the other side of the Lake

   Tom Flood
   Mary Flood
   Hjalmer Carlson

3. Non-Residents

   Leonard Henke - moved to Talkeetna
   Hazel Henke - moved to Talkeetna
   Richard Collins - summer resident only
   Florence Collins - three sub-teen children, summer resident only
   Mr. Green - spring and summer resident only
   Alfred Starr - moved to Nenana
   Paul Starr - moved to Nenana
   Fabian Carey - Fairbanks resident - flies on and off lake on skiis periodically
   Boyd Haynes - moved to Big Delta
   Frank White - summer resident only

The residence of Mr. and Mrs. Robert Thompson could not be determined. He may or may not reside at Lake Minchumina.

4. Scheduled Airline Service

Wien Airlines discontinued scheduled service including mail in November.

5. Other Air Service

Light planes can operate on skiis off of Lake Minchumina.

6. Equipment at the site

7 1/2 yd. dump truck with plow
1/2 ton pickup truck
3/4 ton pickup truck
D7 Caterpillar without engine

7. Cost Estimates for Maintaining Airfield for 5 months

A.	2500 feet length (labor)	$ 8,700
	Equipment repair	1,500
	Total	$10,200
B.	4800 foot runway (labor)	$11,700
	Equipment repair	1,500
	Total	$13,200

8. Conclusions

Mr. Holmes apparently desires a full 4800 feet so that fuel and supplies can be delivered by Hercules Aircraft. Twenty-five hundred feet of runway would provide for mail delivery by Wien Consolidated. We would not attempt to light the field for this infrequent use. Based on an analyses by the Division of Aviation regarding the small number of persons being served, it was their conclusion that funds could best be spent in areas of greater need. If, however, it is the desire of the Legislature to maintain this particular field, then an immediate appropriation would be required.

I will be pleased to discuss this with you in more detail should you desire.

Sincerely,

George H. Easley
Commissioner

GHE:ms

HCR-15

Lake Minchumina, Alaska 99623
31 December, 1971

John Huber, Representative,
Pouch V
Juneau, Alaska

Dear Mr. Huber:

On November 1, 1971, FAA ceased maintenance on the Lake Minchumina airport, leaving a caretaker. On November 30, he was removed. Eight days later, they lost the heat at the flight control station, which inactivated the electronic equipment, completely isolating this community for six days.

It is my understanding that the FAA has no intention on doing any more maintenance on the runway at this station.

This community depends entirely on air transportation. We are serviced by Wien Consolidated Airlines. I was informed by them last week that they were going to suspend service here until the field is plowed and lighted, since they have a wheel operation. We have had two landings by a scheduled carrier in the last month. We are scheduled for ten. This leaves us with practically no mail service and in the future, none. We have a post office here, ZIP 99623.

The FAA has offered to transfer this airport to the state. This would include a lighted 4,600 foot runway, snow removal equipment, grader, D7 caterpillar, pickup truck, heated garage, (Butler building) six quarters buildings, utility building, and quite a lot of other miscellaneous equipment.

Alaska has a tentative selection of three townships on the lake. It would be to the interest of the state, as well as the flying public and the people of Lake Minchumina, to have a maintained airport here.

I hold a state issued certificate as an electric utility. Unless this runway is maintained, I will be forced to discontinue operation by the middle of March, due to lack of fuel. It will deprive this community of electric power and telephone service, completely isolating it.

This is a very important alternate landing field. It is over 100 miles in any direction to the nearest maintained runway, approximately 110 miles East to Nenana, 100 miles North to Tanana, 120 miles West to McGrath, 110 miles Southwest to Farewell, on the airlane from Fairbanks to McGrath, and from Tanana to Anchorage.

Therefore, I petition the state to assume owndership of the airport at Lake Minchumina and to maintain it.

Yours truly,
Weldon S. Holmes
Weldon S. Holmes, Prop.,
Semloh Supply,
Lake Minchumina,
Alaska, 99623

People serviced by the Lake Minchumina airport.

Kenneth Grunroth, Postmaster, Wien Consolidated Airlines agent

Val Blackburn, fish dealer, Lake Minchumina Lodge manager

Robert Thompson, trapper, fisherman

Jan Thompson, Mr. R[illegible]:

Baby

Tom Flood, trapper, fisherman

Mary Flood, Mrs. Tom;

Leonard Menke, trapper

Hazel Menke, Mrs. Leonard

Hjalmer Carlson, 86 years old, trapper, semi-retired

Richard Collins, retired, pilot

Florence Collins, Mrs. Richard;

Three subteen children, one boy and two girls, children of Mr. and Mrs. Collins, study by correspondence course

Mr. Green, trapper, pilot

Alfred Starr, trapper

Paul Starr, trapper

Fabian Carey, Fairbanks, operates off Minchumina airport in winter on his trapline

Frank White, retired.

Boyd Haynes, retired.

W. S. Holmes, proprietor, Semloh Supply, electric utility & gen. mdse.

Frances M. Holmes, Mrs. W. S.

FORM 02-0018

Fiscal Note
HCR 15

MEMORANDUM State of Alaska

TO: J. H. Hogan
Fiscal Analyst
Alaska State Legislature
House of Representatives

DATE : April 18, 1972

FROM: Holger Jorgensen, Chief
Aviation Operations
Department of Public Works

SUBJECT: Maintenance of
Lake Minchumina Airport

This will reply to your memorandum of April 11, 1972, requesting clarification on four specific points of Mr. Weldon Holmes' maintenance proposal for Lake Minchumina Airport.

To aid in your knowledge of what has transpired to date, I am enclosing copies of two pertinent letters and a TELEX sent to Mr. Holmes. I should also add that in telephone conversations I have made it clear to Mr. Holmes that we were interested only in a program where the contractor would furnish all labor, equipment, and needed storage space. Mr. Holmes has verbally assured me that he would supply all the above for the $8,000 per year price.

Our position is that we do not wish to acquire any of the surplus equipment or buildings at Minchumina, if it can be avoided. Past experience has shown that equipment repair costs on surplus FAA equipment is very high. The buildings are usually in a similar condition and we are not staffed to maintain buildings in remote areas. For comparison purposes, if we were to acquire the equipment, storage building, living quarters, fuel requirements, and staff the airport with one person our annual cost would be approximately $40,000.

Enclosures

cc: George W. Easley
Commissioner
Department of Public Works

GA
4/13/72

RCA RPFILE AHG*
DPV AVIA AHG
F00079 NL PDF
TDA MINCHUMINA ALASKA 12
HOLMES JORGENSEN DIVN OF AVIATION
4310 INTERNATIONAL AIRPORT RD ANCH
PROPOSAL RUNWAY MAINTENANCE MINCHUMINA AIRPORT FOR
8,000.00 PER YEAR I WILL KEEP THE RUNWAY CLEARED OF SNOW
TO LEGAL DEPTH 100 FEET WIDE BY 4500 FEET IN LENGTHM
IN SUMMER I WILL BLADE WHEN NECESSARY TO KEEP IT SMOOTH
INCLUDING TOOL STATION FROM HOLMES
W W HOLMES

8,000.00 100 4500.

phoned to Elaine
9:05 am

RCA RPFILE AHG*
DPV AVIA AHG

RCA RPFILE AHG*

RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

4/4/89
Date

02-519 (REV 8/78)

"Relating to Improvements for the City of Cheyenne."

Committee Report

HOUSE OF REPRESENTATIVES

_____
Date

Mr. Speaker:

The Committee on _____ has had _____ under consideration. A majority of the members of the Committee

/_/ recommends it do pass

/_/ recommends it do not pass

/_/ recommends it do pass with attached amendment(s)

/_/ recommends it be replaced with CS for _____ and that CS for _____ do pass

/_/ (and) recommends it be referred to the _____ committee

/_/ reports it back without recommendation

/_/ (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____
CHAIRMAN

Introduced: 3/8/71
Referred: State Affairs
and Finance

IN THE HOUSE BY MOORE

HOUSE CONCURRENT RESOLUTION NO. 18

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - FIRST SESSION

Relating to improvements for the City of Chevak.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the City of Chevak, because of its location on an extremely low level of ground, is urgently in need of at least minimum protection from the elements that would be afforded by the construction of boardwalks in the city; and

WHEREAS the lack of boardwalks creates many unnecessary hardships on the citizens of Chevak and they are otherwise made to suffer unnecessary inconveniences; and

WHEREAS the lack of boardwalks also creates a situation that very definitely lends itself toward causing health problems in the community;

BE IT RESOLVED by the Alaska State Legislature that the Governor is respectfully requested to direct the Rural Development Agency to assist the City of Chevak in obtaining the sum of $10,000 for the construction of boardwalks in the city.

RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

4/4/89
Date

02-519 (REV 8/78)

Committee Report

HOUSE OF REPRESENTATIVES

_____
Date

Mr. Speaker:

The Committee on _____ has had _____ under consideration. A majority of the members of the Committee

/_/ recommends it do pass

/_/ recommends it do not pass

/_/ recommends it do pass with attached amendment(s)

/_/ recommends it be replaced with CS for _____ and that CS for _____ do pass

/_/ (and) recommends it be referred to the _____ committee

/_/ reports it back without recommendation

/_/ (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____
CHAIRMAN

Original sponsor: Fink, Kerttula, Colletta and Randolph

Offered: 4/1/71
Referred: Finance

IN THE HOUSE BY THE COMMERCE COMMITTEE

CS FOR HOUSE CONCURRENT RESOLUTION NO. 19

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - FIRST SESSION

Relating to the investment of state funds.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the high cost of money is a major factor contributing to all high costs; and

WHEREAS the extremely high price of homes in Alaska constitutes a principal cause of the housing shortage; and

WHEREAS the existing excessively high mortgage interest rates are a principal consumer deterrent in home construction and financing; and

WHEREAS, according to the most recent revenue projections released by the administration, the state currently has on hand surplus funds and should continue to have surplus funds for at least the next five fiscal years; and

WHEREAS, as a general practice and as sound economic practice, surplus funds of the state are invested until such time as additional money is needed for necessary funding of state programs; and

WHEREAS the investment of state surplus funds in Alaska home mortgages will benefit the economy of the state and its citizens by promoting more home building, providing more jobs for Alaskans, and alleviating the serious shortage of decent housing in many areas of the state; and

WHEREAS mortgages can be sold when needed in much the same manner as bonds, stocks, or other commercial paper;

BE IT RESOLVED by the Alaska Legislature that the Department of Revenue is directed to invest, under ch. 206 SLA 1970, a substantial amount of our surplus state funds in Alaska home mortgages at a mortgage interest rate not to exceed six per cent a year.

Introduced: 3/8/71
Referred: Commerce and Finance

BY FINK, KERTTULA, COLLETTA AND RANDOLPH

IN THE HOUSE

HOUSE CONCURRENT RESOLUTION NO. 19

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - FIRST SESSION

Relating to the investment of state funds.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS, according to the most recent revenue projections released by the administration, the state currently has on hand surplus funds and will continue to do so for at least the next five fiscal years; and

WHEREAS, as a general practice and as sound economic practice, surplus funds of the state are invested until such time as additional money is needed for necessary funding of state programs; and

WHEREAS the investment of our surplus state funds in Alaska mortgages would greatly enhance the economy of the state by providing immediately more jobs for Alaskans, and would have as an end result the reduction of our high cost of living; and

WHEREAS mortgages can be sold when needed in much the same manner as bonds, stocks, or other commercial paper;

BE IT RESOLVED by the Alaska Legislature that the Department of Revenue is directed to invest our surplus state funds in Alaska mortgages with the same rate of return to the state as the average net return to the state of the entire surplus fund; and be it

FURTHER RESOLVED that all mortgages purchased bear an interest rate one-half per cent above the state's net rate.

RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James C. Smith
Signature of Camera Operator

4/4/89
Date

02-519 (REV 8/78)

Committee Report

H O U S E O F R E P R E S E N T A T I V E S

_____
Date

Mr. Speaker:

The Committee on _____ has had _____ under consideration. A majority of the members of the Committee

/_/ recommends it do pass

/_/ recommends it do not pass

/_/ recommends it do pass with attached amendment(s)

/_/ recommends it be replaced with CS for _____ and that CS for _____ do pass

/_/ (and) recommends it be referred to the _____ committee

/_/ reports it back without recommendation

/_/ (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____
CHAIRMAN

Introduced: 3/24/71
Referred: Health, Welfare
& Education; Finance

IN THE HOUSE BY PERATROVICH

HOUSE CONCURRENT RESOLUTION NO. 27

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - FIRST SESSION

Relating to the construction of a new high school on Prince of Wales Island

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS there is a need for a new high school to be constructed for students in the Prince of Wales Island area; and

WHEREAS the area between Craig and Klawock near Klawock Lake offers unique and superior advantages for the new school; and

WHEREAS this site not only is already accessible by road, but is accessible by small aircraft, along with having the potential of an excellent water system; and

WHEREAS it is anticipated that in the near future the existing road will be extended all the way to Hydaburg which would further make Klawock Lake an ideal site for the school; and

WHEREAS the Klawock Lake site would also afford the school ample opportunity for future expansion as needed and is suitable for related athletic facilities and other extracurricular activities;

BE IT RESOLVED by the Seventh Alaska Legislature that the Governor is respectfully requested to direct the Department of Education to undertake an immediate feasibility study for a new high school in the Klawock Lake area.

Introduced: 3/24/71
Referred: Health, Welfare
and Education and Finance

IN THE HOUSE BY PERATROVICH

HOUSE CONCURRENT RESOLUTION NO. 27

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - FIRST SESSION

Relating to the construction of a new high school on Prince of Wales Island.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS there is a need for a new high school to be constructed for students in the Prince of Wales Island area; and

WHEREAS the area between Craig and Klawock near Klawock Lake offers unique and superior advantages for the new school; and

WHEREAS this site not only is already accessible by road, but is accessible by small aircraft, along with having the potential of an excellent water system; and

WHEREAS it is anticipated that in the near future the existing road will be extended all the way to Hydaburg which would further make Klawock Lake an ideal site for the school; and

WHEREAS the Klawock Lake site would also afford the school ample opportunity for future expansion as needed and is suitable for related athletic facilities and other extracurricular activities;

BE IT RESOLVED by the Seventh Alaska Legislature that the Governor is respectfully requested to direct the Department of Education to undertake an immediate feasibility study for a new high school in the Klawock Lake area and do all else necessary to assure its early construction.

RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

4/4/89
Date

02-519 (REV 8/78)

Relating to the leases from the Alaska State Housing Authority.

Committee Report

HOUSE OF REPRESENTATIVES

_____
Date

Mr. Speaker

The Committee on _____ has had _____ under consideration. A majority of the members of the Committee

- [ ] recommends it do pass
- [ ] recommends it do not pass
- [ ] recommends it do pass with attached amendment(s)
- [ ] recommends it be replaced with CS for _____ and that CS for _____ do pass
- [ ] (and) recommends it be referred to the _____ committee
- [ ] reports it back without recommendation
- [ ] (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ ecommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____
CHAIRMAN

A M E N D M E N T

Offered in the HOUSE By _____

To: _____ HOUSE BILL NO. _____

_____ SENATE BILL NO. _____

AMENDMENT: Page _____ Line _____

02-001B

STATE of ALASKA

MEMORANDUM

TO: Representative George Hohman, Chairman
House Finance Committee
Alaska State Legislature

DATE : March 22, 1972

FROM: Joseph R. Henri, Commissioner
Department of Administration

SUBJECT: HCR 28

Your memorandum dated March 2, 1972, requested supporting figures concerning a $204,000 rental payment which had allegedly been determined as the annual rental costs for a Pioneer's Home facility in Anchorage. The memo further suggested that this figure was indicated as a projected federal reimbursement for rent for such a facility.

Since a Pioneer's Home in Anchorage has never been a part of Governor Egan's Capital Improvement Program, we are unable to offer a proposed rental figure for such a facility, not knowing the size or any other details concerning the facility under consideration.

It is possible that a $204,000 figure was mentioned in relation to the Pioneer's Home system at the hearing on HCR 28. This figure represents the projected amount which would be reimbursable by the federal government for annual depreciation charges using a twenty year straight-line depreciation schedule, which has been suggested by the Division of Buildings. Actual depreciation charges on this basis would be billed at the annual rate of $313,995, and approximately 65% of this amount, or $204,096.75 would be reimbursable under current projections for Title XVI receipts for the Pioneer's Home operation. It is possible, however, that we may be required to assign a useful life greater than 20 years for depreciation purposes, which could result in a somewhat lower annual reimbursement.

The extent of federal reimbursement for operation of a new Pioneer's Home in Anchorage or any other location would be governed by many details concerning the size and cost of the facility, nature of its population, type of ownership etc.. If a direct lease for the facility was executed with a private entity, current Title XVI provisions provide reimbursement for up to 75% of actual rental or lease costs. The actual amount would depend on circumstances desecribed above, as well as other factors.

M E M O

TO: The Honorable George Hohman
Chairman
House Finance Committee

DATE: June 7, 1972

FROM: J. H. Hogan
Fiscal Analyst

SUBJ: Pioneers' Homes

I talked to Tom O'Donnell just a few moments ago. These are his estimates of costs, size and need for the three Pioneers' Homes in question:

1. Anchorage - he assumes a building cost of $5 million plus the cost of land. This facility would have 150 rooms/beds.

2. Palmer - the facility currently has 63 beds located in 51 rooms.

3. Fairbanks - currently has 63 beds in 51 rooms. The design capacity of the utility/service core could support an addition up to 120 or 150 beds (the lower bed figure assumes all rooms are singles). O'Donnell has budgeted the cost of the Fairbanks addition at $2.5 million and had proposed to put it in the budget next year.

In brief, the Palmer and Fairbanks homes probably have similar design and core/service facilities. Allowing for cost differences between Palmer and Fairbanks (they both have the necessary land on which to locate an addition) the cost of an addition at either one ought to be similar.

Neither O'Donnel or Dick Freer have any way to judge the effect of an addition at Fairbanks and a new home in Anchorage relative to increased demand for facilities at Palmer. The demand may exist but not be measurable due to the known shortage of space in existing Pioneer Homes.

Alaska State Legislature

Senate

JUNEAU ALASKA

TO: Mr. George Hohman, Chairman
House Finance Committee

FROM: Rich Guthrie
Senate Fiscal Analyst

SUBJECT: Fiscal Note Request

DATE: 6/8/72

The following House bills are now in the Senate Finance Committee for consideration:

Bill No.	Title
HCR 28	

The Senate Finance Committee would appreciate receiving eight copies of the fiscal note and other pertinent materials that will assist them as they consider these bills.

Introduced: 2/10/72
Referred: State Affairs
and Finance

BY BARBER,BOWMAN,CHANCE,
COLLETTA,FARRELL,FISCHER,
GUESS,HARRIS,HILLSTRAND,
MCVEIGH,MORAN,ROSE AND
WRIGHT

IN THE HOUSE

HOUSE CONCURRENT RESOLUTION NO. 28

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - SECOND SESSION

Relating to the leases from the
Alaska State Housing Authority.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the legislature by ch. 99 SLA 1965 provided for the construction and acquisition by the Alaska State Housing Authority of public buildings for lease to the state; and

WHEREAS the leasing program has been entered into under the Act; and

WHEREAS AS 37.05.280 requires that any additional lease executed after January 1, 1966 which provides for payment in excess of $12,000 annually be approved by the legislature; and

WHEREAS it is in the best interest of the state to enter into an additional lease set out in this resolution;

BE IT RESOLVED that use of the space to be provided by lease of the following premises by the State of Alaska from the Alaska State Housing Authority and the lease of the premises from the Alaska State Housing Authority providing for payments in excess of $12,000 annually is approved:

LEASED FACILITY

Pioneers Home, Department of Administration, Anchorage, Alaska.

MEMORANDUM

TO: HOUSE FINANCE COMMITTEE

FROM: HOUSE STATE AFFAIRS

SUBJECT: HCR 28

DATE: FEBRUARY 16, 1972

Gene Smith testified for the Administration stating that a report on the project would be available by March 1. Since the bill is primarily a financial matter, it was passed out of the committee into the House Finance for future consideration.

RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

4/4/89
Date

02-519 (REV 8/78)

RELATING TO THE PERSONNEL RULES FOR ST. EMP.

Committee Report

HOUSE OF REPRESENTATIVES

_____
Date

Mr. Speaker:

The Committee on _____ has had 35 under consideration. A majority of the members of the Committee

/_/ recommends it do pass

/_/ recommends it do not pass

/_/ recommends it do pass with attached amendment(s)

/_/ recommends it be replaced with CS for _____ and that CS for _____ do pass

/_/ (and) recommends it be referred to the _____ committee

/_/ reports it back without recommendation

/_/ (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____
CHAIRMAN

Introduced: 4/2/71
Referred: State Affairs

IN THE HOUSE BY THE FINANCE COMMITTEE

HOUSE CONCURRENT RESOLUTION NO. 35

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - FIRST SESSION

Relating to the personnel rules for state employees.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the state personnel system should be geared to the recruitment of qualified employees, the improvement of employee skills and abilities, and the retention of experienced, qualified employees in state service; and

WHEREAS the current personnel rules sometimes handicap state agencies in their effort to select personnel; and

WHEREAS this fact is occasioned to a certain extent by the sometimes unrealistic academic requirements, with the result that a person's prior job training and work experience receive secondary consideration; and

WHEREAS the present practice of requiring state agencies to select employees from the top three persons on the register stifles, at times, what should be an agency's perogative, that is to select employees from the register who may be uniquely or best qualified to meet the agency's needs regardless of examination results;

BE IT RESOLVED by the Alaska Legislature that the Governor is respectfully requested to direct the Division of Personnel and the Personnel Board to make a thorough study of the existing personnel rules and to revise the rules as needed to ensure that academic training, and prior job training and work experience count more in rating an applicant and also that the rules be revised to permit selection of candidates from all eligible persons on the register.

RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith
Signature of Camera Operator

4/4/89
Date

02-519 (REV 8/78)

Committee Report

HOUSE OF REPRESENTATIVES

_____
Date

Mr. Speaker:

The Committee on _____ has had _____ under consideration. A majority of the members of the Committee

/_/ recommends it do pass

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/_/ recommends it do pass with attached amendment(s)

/_/ recommends it be replaced with CS for _____ and that CS for _____ do pass

/_/ (and) recommends it be referred to the _____ committee

/_/ reports it back without recommendation

/_/ (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____
CHAIRMAN

RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

4/4/89
Date

02-519 (REV 8/78)

ALASKA STATE HOUSING AUTHORITY
(EXCLUDING FEDERALLY SUBSIDIZED AND STATE
BUILDING PROGRAM ACTIVITIES)
NOTES TO FINANCIAL STATEMENTS

1. Long-term Debt:

Long-term debt is summarized as follows:

General Obligation Bonds (Nunaka Valley Project), maturing serially in specified amounts on May 1 annually through 1978, interest of 6 percent payable semi-annually.	$ 380,000
General Obligation Refunding Bonds, collateralized by pledge of first mortgage loans receivable and contracts of sale with unpaid principal balances of approximately $4,668,000 and by substantially all Nunaka Valley dwellings and related land (see Note 2) with a net book value of approximately $782,000.	
Series A, payable in monthly installments of $19,420 including interest at 3-1/4 percent. Final payment of principal and interest is due on or before May 1, 1985.	2,206,828
Series B, principal payable on May 1, 1985 or earlier, provided the Series A Bonds are also redeemed. Interest at 3-1/4 percent is payable monthly. In April 1970 the Board authorized the deposit of $3,000 per month in a sinking fund restricted to redemption of the Series B Bonds.	809,392
	$3,396,220

Notes payable to Government National Mortgage Association:

Payable in monthly installments of $2,473 including interest at 3 percent and insurance and replacement reserve deposits of $682. The note is collateralized by a deed of trust on land and buildings at Petersburg, Alaska (known as Middle Income Housing Project) with a book value of approximately $475,000.	$467,869

ALASKA STATE HOUSING AUTHORITY
(EXCLUDING FEDERALLY SUBSIDIZED AND STATE
BUILDING PROGRAM ACTIVITIES)
NOTES TO FINANCIAL STATEMENTS, Continued

Payable in monthly installments of $3,292 including interest at 3 percent and insurance and replacement reserve deposits of $906. The note is collateralized by a deed of trust on land and buildings at Wrangell, Alaska (known as Middle Income Housing Project) with a book value of approximately $622,000.	$630,652	$1,098,521
Total long-term debt		4,494,741
Less current portion		291,964
		$4,202,777

Long-term debt does not include debt relating to federally subsidized and state building program activities of the Authority, as follows:

(a) Debt relating to federally subsidized activities is represented by five issues of New Housing Authority Bonds, the outstanding balance of which total $10,235,000 as of June 30, 1971. These bonds are general obligations of the Authority and also are collateralized by a pledge of specific portions of annual contributions receivable by the Authority under contracts with the provisions of the United States Housing Act of 1937, as amended. Furthermore, the bonds are collateralized by a pledge of rents, revenues, fees, and income of the low-rent housing financed thereby.

(b) Debt relating to state building program activities is represented by the following State Lease Revenue Bonds, totaling $48,705,000 which are general obligations of the Authority and are collateralized by a pledge of future lease rentals of buildings to the State of Alaska:

1966 Project - Construction Project No. 1 Bonds	$ 4,045,000
1966 Project - Acquisition Project No. 1 Bonds	315,000
1967 Project - Construction Project No. 2 Bonds	4,785,000
1968 Project - First Phase Construction Project Bonds	3,280,000
1968 Project - Second Phase Construction Project Bonds	1,585,000

ALASKA STATE HOUSING AUTHORITY
(EXCLUDING FEDERALLY SUBSIDIZED AND STATE
BUILDING PROGRAM ACTIVITIES)
NOTES TO FINANCIAL STATEMENTS, Continued

Courthouse Acquisition Project Bonds	$ 5,600,000
1970 Project - First Phase Construction Project Bonds	5,560,000
1970 Project - Second Phase Construction Project Bonds	7,825,000
1970 Project - Third Phase Construction Project Bonds	15,710,000
	$48,705,000

At June 30, 1971, the aforementioned bonds and the related assets have been excluded from the balance sheet of the Authority.

2. Real Estate Held For Sale:

Real estate held for sale consists of dwellings, related land, and unimproved property in Nunaka Valley near Anchorage, as well as other unimproved property throughout the State. The Nunaka Valley project is stated at appraised value as of July 1, 1960 ($4,260,850) and costs of subsequent additions or improvements, less allowances for depreciation through June 30, 1967 ($858,760) and less net proceeds from all dwelling sales. The real estate is held for sale under a plan of disposition approved by the Members of the Board on August 24, 1967, which includes the improvement of the dwellings and the paving of the area's streets. In the opinion of the Authority all costs will be recovered in the overall project disposition plan.

3. Grant payable to Alaska State Mortgage Association:

The Alaska State Mortgage Association was founded in 1961 as a public corporation of the State of Alaska to loan funds upon the security of insured [illegible] mortgages. By legislative intent the Association was to be operated as a companion entity to the Alaska State Housing Authority. A grant of $200,000 was established and approved by the Members of the Board of the Authority for the purpose of providing funds for the activity of the Association.

Court decisions rendered in a test case have assured the Authority that the activity of the Association may be carried out. Legal expenses of the test case, paid by the Authority, have been applied to reduce the amount of the grant to be paid to the Association.

ALASKA STATE HOUSING AUTHORITY
(EXCLUDING FEDERALLY SUBSIDIZED AND STATE
BUILDING PROGRAM ACTIVITIES)
NOTES TO FINANCIAL STATEMENTS, Continued

The Authority believes the grant may not be paid because recent legislation has created the "Alaska Housing Finance Corporation," a state corporation to be managed by the Authority. Disposition of the grant payable at June 30, 1971, will be determined by the Board of the Authority.

4. Depreciation:

Rental units and equipment are being depreciated on a straight-line basis using lives of up to 10 years for equipment and of 40 years for the rental units. Wrangell and Petersburg operating expense include depreciation charges of $15,697 and $12,537, respectively.

5. Contingent liabilities:

The Authority administers certain funds and other assets of the United States, and in connection therewith, the monthly distribution of expenses to the various activities of the Authority are composed of charges to federally as well as non-federally subsidized activities. Federal audits of federally subsidized activities have been performed through March 31, 1969. Audit findings indicated that a balance of $185,712 was due the Department of Housing and Urban Development arising from the payment of ineligible costs from an urban renewal project in the City of Kodiak, Alaska. Subsequent adjustments agreed to by the Department of Housing and Urban Development have reduced this to $136,796. According to the Authority, the City of Kodiak will pay this amount upon completion of renovation work to be funded with earthquake urban renewal funds as provided by U.S. Senate Bill 778. It is possible that some liability may accrue to the non-federally subsidized activities for the period of April 1, 1969 to June 30, 1971, however, in the opinion of the Authority the liability if any, is considered to be not significant.

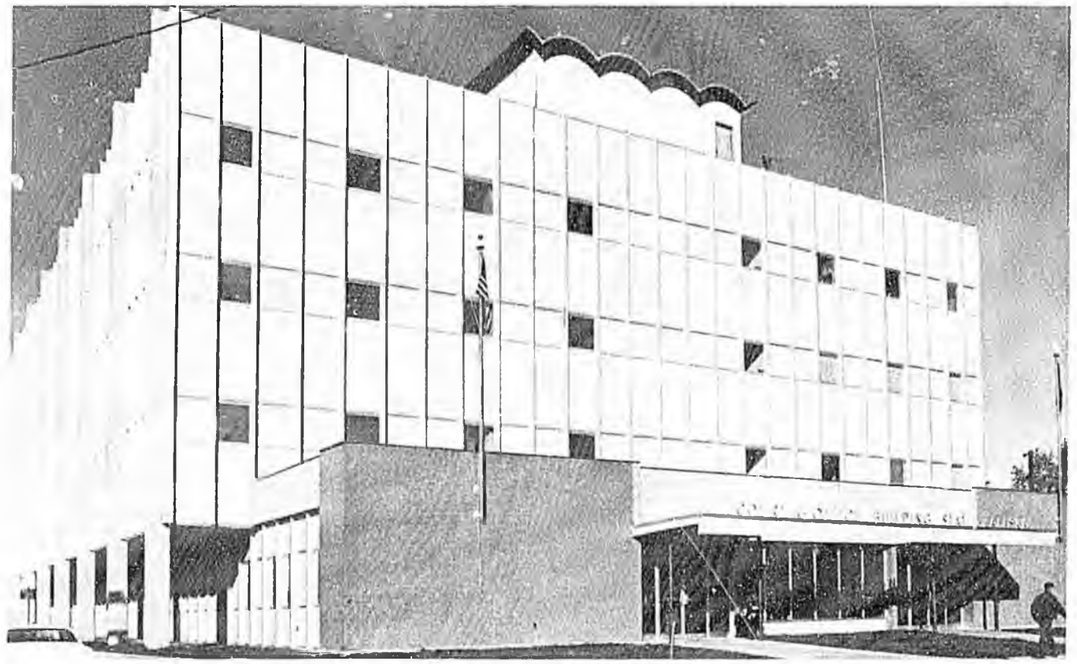
6. Subsequent event:

In August 1971 the Authority sold State Lease Revenue Bonds in the amount of $3,800,000. The proceeds from the sale are to be used to fund certain building projects authorized by the Alaska State Legislature and are to be collateralized by a pledge of future lease rentals of facilities to the State of Alaska.

ALASKA STATE HOUSING AUTHORITY

FIVE-YEAR INCOME AND EXPENSE STATEMENT
(As relating to Non-Federally Subsidized Activities)

	Year Ending June 30				
	1967	1968	1969	1970	1971
INCOME					
Rental & Utility Services					
Nunaka Valley	$390,452	$418,260	$292,138	$202,948	$ 77,986
Other Alaska State Housing Authority Projects	158,449	222,861	180,445	127,030	114,007
Mortgage Interest Income	81,003	95,016	140,521	221,316	297,913
Other Income	13,932	16,390	52,915	23,742	27,070
Gain on Disposition of Assets				42,298	120,367
Total Income	$643,836	$752,527	$666,019	$617,334	$637,343
EXPENSES					
Nunaka Valley Operating Expense	$139,399	$162,081	$122,740	$126,786	$ 63,876
Other A.S.H.A. Projects Operating Expense	95,511	153,359	173,762	201,955	145,634
Mortgage Servicing Costs	14,650	21,094	34,231	42,985	50,545
Civilian-Military Rental Office Expense	3,988	5,839	5,319	8,218	6,578
Other Administrative Expense	27,463	38,753	24,447	20,057	25,221
Un-Reimbursable Urban Renewal Expense	838	7,603		1,216	
Un-Reimbursable Planning Assistance Expense	8,516	50,561	22,479	26,440	12,760
Un-Reimbursable Low Rent Expense	12,644	2,892	12,648	28,667	33,185
Interest Expense	140,738	162,625	153,318	135,368	128,451
Un-Reimbursable Remote Housing Expense				4,090	5,641
Depreciation Expense	143,592	37,481	12,162	10,332	8,947
Loss on Disposition of Assets	1,192	8,868	2,986		
Total Expense	$598,531	$651,156	$564,092	$606,114	$480,838
Less Special Payment to Office of Emergency Planning			63,681		
Net Income	$ 45,305	$101,371	$ 38,246	$ 11,220	$156,505



Court and Office Building, Fairbanks.

Current Operations

A statistical compilation of projects now being undertaken by the Authority through financed programs follows:

URBAN RENEWAL AND PLANNING OPERATIONS

I. Urban Renewal Projects	Location	Execution (E) or Planning (P)	Estimated Gross Cost
Westchester	Anchorage	E	$ 1,273,188
Barnette Area	Fairbanks	E	3,079,811
Eastchester	Anchorage	E	4,780,290
Harborview	Juneau	E	6,306,002
Downtown Area	Kodiak	E	10,763,181
Downtown Area	Anchorage	E	14,382,294
Waterfront Area	Seward	E	1,659,791
Old Town	Valdez	E	3,164,637
Mineral Creek	Valdez	E	1,824,987
Waterfront Area	Seldovia	E	4,875,113
Harbor Area	Cordova	E	2,747,348
			$ 54,856,642

II. Urban Renewal Projects (Submitted)	Location	Estimated Gross Cost
West Oloranna	Nome	$ 5,333,333
Stikine Gateway	Wrangell	6,000,000
North Pole Area	North Pole, Alaska	5,333,000
Eastside Area	Fairbanks	16,666,666
Cowles Area	Fairbanks	8,000,000
Isabella Creek	Fairbanks	5,733,333
		$ 47,066,332

III. Urban Renewal Projects (Proposed)	
Cordova, Alaska	$ 9,333,333
Ketchikan, Alaska	5,466,666
Juneau, Alaska	11,200,000
	$ 25,999,999

IV. 701 Planning Projects Underway	
Fairbanks-North Star Borough	$ 80,000
Miscellaneous Programs:	
Annual Work Program 1970	168,667
Annual Work Program 1971	145,000
	$ 393,667

GRAND TOTAL—	
Urban Renewal and Planning Programs—under way	$ 55,250,309
Submitted for Approval	47,066,332
Proposed	25,999,999
Relocation Payments	1,850,000
	$130,890,315

All the above projects are financed with a combination of Federal and local City or Borough funding.

NOTE: The cost of the extensive newly set of native housing program has not yet been ascertained. It may reach $40,000,000 a year for five years.

HOUSING OPERATIONS

I. Low Rent Projects in Management Location	No. of Units	Value
Fairbanks, Birch Park	75	$ 1,516,171
Juneau, Cedar Park	50	931,327
Juneau, Cedar Park Annex	25	731,960
Anchorage, Willow Park	150	2,083,095
Anchorage, Loussac Manor	62	1,866,524
Ketchikan, Alder Park	50	924,563
Sitka, Paxton Manor	24	753,974
Petersburg, Vista View	12	359,198
Kodiak, Pacific Terrace	40	1,143,863
Valdez, Valdez Arms	14	416,102
Anchorage-Fairview	88	2,577,500
Wrangell, Etolin Heights	20	600,945
Cordova, Eyak Manor	16	550,000
Federally Funded		$ 14,455,222

II. 221 (d)(3) Projects in Management Location	No. of Units	Depreciated Value
Petersburg	24	$ 483,152
Wrangell	32	654,687
ASHA Funded	56	$ 1,137,839

III. Other Management		
Grayling	23	$ 179,022
*Bethel	200	3,018,522
Hoonah	15	287,150
Nome	50	1,061,744
Federally Funded		$ 4,546,438

*A $2,500,000 improvement program is scheduled for spring of 1972.

IV. Turnkey Projects in Development or Proposed		
Fairbanks	80	$ 1,978,000
Juneau	85	2,525,700
Anchorage	150	4,000,000
Ketchikan	100	2,750,000
Six Remote Villages	160	5,000,000
Federally Funded		$ 16,253,700

V. Remote Housing		
Various Locations		
Completed	337	$ 2,200,000
Under Construction	126	900,000
In Development	220	1,500,000
Proposed	80	600,000
Federally Funded		$ 5,200,000

TOTAL HOUSING OPERATIONS	$ 41,593,199
TOTAL ALL OPERATIONS	$172,483,514

(Other than buildings constructed through ASHA bonds for lease to the State)

ALASKA STATE HOUSING AUTHORITY
(EXCLUDING FEDERALLY SUBSIDIZED AND STATE BUILDING PROGRAM ACTIVITIES)
STATEMENT OF INCOME AND EQUITY
for the year ended June 30, 1971

Revenues:		
Rental services:		
Nunaka Valley	$ 77,986	
Wrangell	68,298	
Petersburg	45,709	$ 191,993
Gain on sale of assets, principally real estate		120,367
Interest income		297,913
Other income		27,070
		637,343
Expenses:		
Nunaka Valley operating expenses	63,876	
Wrangell operating expenses (Note 4)	74,788	
Petersburg operating expenses (Note 4)	70,846	
Mortgage servicing expenses	50,545	
Administrative expenses	25,221	
Civilian - military rental office expense	6,578	
Unreimbursed planning assistance expense	12,760	
Unreimbursed housing and low rent expense	33,185	
Unreimbursed remote housing expense	5,641	
Interest	128,451	
Provision for depreciation (Note 4)	8,947	480,838
Net income		156,505
Equity at beginning of year		2,282,712
Equity at end of year		$2,439,217

See accompanying notes to financial statements.

ALASKA STATE HOUSING AUTHORITY
(EXCLUDING FEDERALLY SUBSIDIZED AND STATE BUILDING PROGRAM ACTIVITIES)
STATEMENT OF CHANGES IN FINANCIAL POSITION
for the year ended June 30, 1971

		Increase (decrease)
Sources of working capital:		
From operations:		
Net income (Note 3)	$ 156,505	
Charges for depreciation which does not affect working capital	37,181	
	193,686	
From other sources:		
Decreases in first mortgage loan receivables	279,955	
Real estate repossessed	69,311	
Other	745	
Total sources	543,697	
Applications of working capital:		
Increase in first mortgage loans receivable from sale of real estate	802,900	
Reduction of long-term debt	451,904	
Acquisition of equipment	434	
Total applications	1,255,238	
Decrease in working capital	$711,541	
Increase (decrease) in working capital components during the year:		
Cash		$ 208,211
Savings deposits'		30,681
Accounts receivable, net		(99,478)
Current portion of first mortgage loans		(11,121)
Real estate held for sale		(687,699)
Current installments of long-term debt		(78,049)
Accounts payable		(228)
Accrued expenses		(18,544)
Other current liabilities		(55,314)
		$ (711,541)
Working capital beginning of year		1,829,090
Working capital end of year		$1,117,549

See accompanying notes to financial statements.

ALASKA STATE HOUSING AUTHORITY
(EXCLUDING FEDERALLY SUBSIDIZED AND STATE
BUILDING PROGRAM ACTIVITIES)
BALANCE SHEET, June 30, 1971

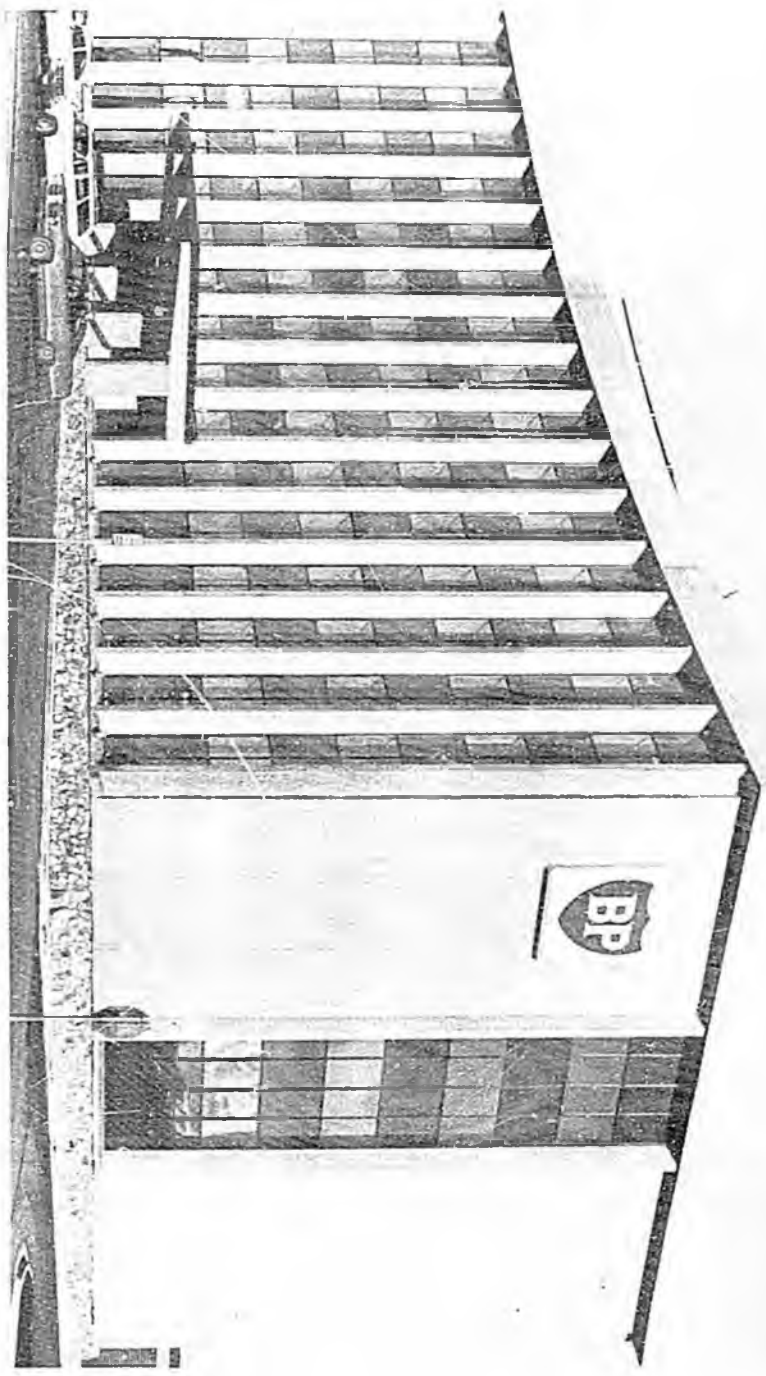
ASSETS

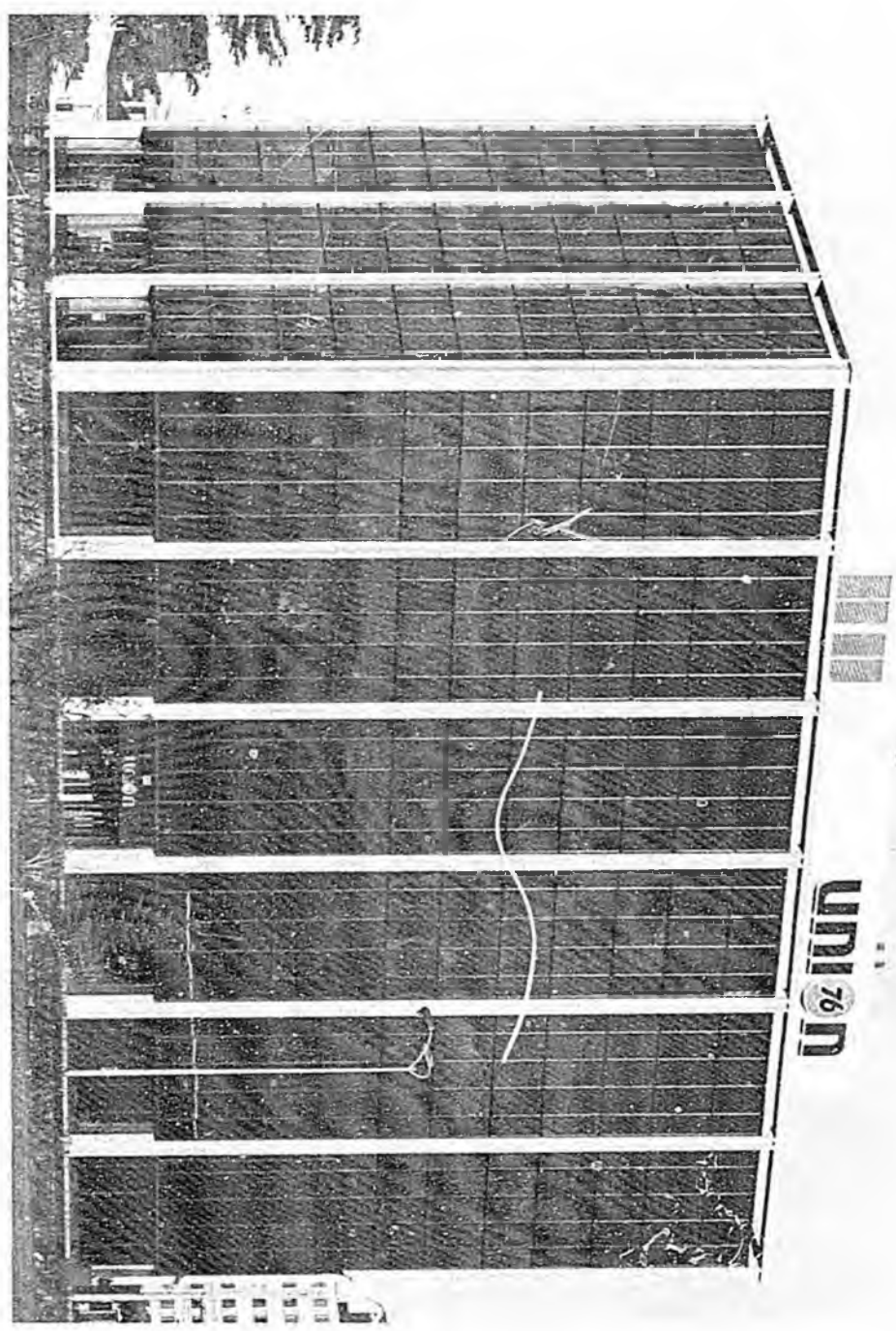
Current assets:		
Cash (including mortgage service trust funds of $185,812)		$ 324,816
Savings deposits (including $36,000 restricted for redemption of General Obligation Refunding Series B Bond) (Note 1)		135,498
Accounts receivable:		
Housing programs, tenants and others	$ 190,875	
State Building Program Activities	4,500	
Other Housing Authority funds	33,479	
Other	25,127	
	253,981	
Less allowance for doubtful receivables	21,475	232,506
Current portion of first mortgage loans, including accrued interest of $34,784 (Note 1)		136,815
Real estate held for sale (Notes 1 and 2)		803,691
Total current assets		1,633,326
First mortgage loans receivable, net of current portion (Note 1)		4,599,324
Property and equipment, at cost, (Note 1):		
Land	134,657	
Rental units	1,040,525	
Equipment	122,592	
	1,297,283	
Less accumulated depreciation (Note 4)	189,283	1,108,491
		$7,341,141

LIABILITIES AND EQUITY

Current liabilities:		
Current portion of long-term debt (Note 1)		$ 291,964
Accounts payable		8,470
Accrued expenses:		
Interest	$ 11,969	
Salaries	3,162	
Property taxes	23,521	
Other	2,136	40,788
Other current liabilities:		
Mortgage service trust funds	170,090	
Tenant and utility deposits	3,234	
Unearned rental income	1,231	174,555
Total current liabilities		515,777
Long-term debt, net of current portion (Note 1)		4,202,777
Grant payable to Alaska State Mortgage Association (Note 3)		183,370
Contingent liabilities (Note 5)		4,901,924
Equity, principally retained earnings		2,439,217
		$7,341,141

See accompanying notes to financial statements.





Major Oil Companies establish in Alaska.

Modern Parking Garage in Anchorage.

International Section, Anchorage Airport.

ALASKA STATE HOUSING AUTHORITY
(EXCLUDING FEDERALLY SUBSIDIZED AND STATE
BUILDING PROGRAM ACTIVITIES)

REPORT ON EXAMINATION OF

FINANCIAL STATEMENTS

for the year ended June 30, 1971

LYBRAND, ROSS BROS. & MONTGOMERY
CERTIFIED PUBLIC ACCOUNTANTS

COOPERS & LYBRAND
IN AREAS OF THE WORLD
OUTSIDE THE UNITED STATES

Members of the Board
Alaska State Housing Authority
Anchorage, Alaska

We have examined the balance sheet of Alaska State Housing Authority (excluding federally subsidized and state building program activities) as of June 30, 1971, and the related statements of income and equity and changes in financial position for the year then ended. The scope of our examination did not include those activities of the Authority which are subsidized by the Federal Government. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, subject to the possible effect of the limitation of the scope of our examination stated in the preceding paragraph, the aforementioned financial statements present fairly the financial position of Alaska State Housing Authority (excluding federally subsidized and state building program activities) at June 30, 1971, and the results of its operations and changes in financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Lybrand, Ross Bros. & Montgomery

Anchorage, Alaska
September 3, 1971

Urban Renewal Program

In 1951, the Authority was authorized by the Territorial Legislature to undertake slum clearance and urban redevelopment projects throughout the Territory, pursuant to an Act of Congress approved in 1950. In 1955, the Legislation of 1951 was amended by the Territorial Legislature to include urban renewal projects, pursuant to an Act of Congress approved in 1955.

Four urban renewal projects have been completed: Government Hill and Northern Lights areas in Anchorage; Central Downtown Fairbanks, and Swan Creek in Sitka. Three projects are scheduled for completion in 1972. Two in Valdez and one in Seward.

All projects included removal of a substantial number of substandard structures, installation of public facilities, and re-sale of the improved land for redevelopment.

In all instances the effect of renewal has been noteworthy. This is particularly true in the case of the Fairbanks project. A formerly blighted area now houses large, ultramodern stores for such nation-wide organizations as J. C. Penney, Safeway and Woolworth's.

Eleven renewal projects remain in active execution status. The estimated cost of these projects to completion is $54,856,642, with approximately an additional $1,850,000 to be paid to persons and businesses displaced from renewal areas.

Nine additional renewal projects are in various planning stages, located in eight Alaskan cities from Ketchikan in southeastern Alaska to Nome on the Bering Sea. The total project cost is estimated to be $73,066,664 for the nine projects.

Comprehensive Planning Program

The Alaska State Housing Authority, under an Act approved during the 1957 Territorial Legislature, administers planning assistance to boroughs and to communities of all sizes throughout the State. Benefitting boroughs and cities participate by contributions of cash and technical services. Federal matching funds are obtained on a 75-25 basis under Section 701 of the Housing Act, as amended.

The comprehensive plans include analysis of future economy and population, future land uses, major street plans, recreation proposals and general utility programs. The plan in each instance is followed by a long-range capital improvement program and zoning assistance, including both new codes and revisions of existing zoning.

The Authority has completed comprehensive plans for over thirty boroughs and cities within the State and now acts as consultant to the State Division of Planning and Research carrying out the practical aspects of community planning. The Authority is currently carrying out a statewide housing survey.

Under the comprehensive planning program for sewer and water development in cooperation with the Farmers Home Administration, the Alaska State Housing Authority has Comprehensive Development Plans for Dutch Harbor-Unalaska and for King Cove on the Aleutian Chain. The Farmers Home Administration is expected to give assistance in future planning through grants to other communities expecting to benefit from improved water and sewer systems.

BOARD ORGANIZATION

The Alaska State Housing Authority is governed by a five-member board appointed by the Governor and confirmed by the Legislature. Its structure includes the Commissioner of Commerce and four other residents. The Commissioner's appointment to the Board runs concurrently with his tenure as Commissioner. The tenure of each remaining member is three years.

The Board is responsible for selecting an Executive Director as administrative head of the organization, who also serves as Secretary-Treasurer of the Authority. The Board passes judgment on all major policy matters, financing arrangements and major contracts of the Authority with the Federal Government, the State of Alaska, communities within Alaska and other parties. Following are the general backgrounds of the present Board members:

Albert R. Vacura, Chairman of the Board, is a resident of Fairbanks, where he has been in business for many years. As a former Board Member and Chairman, Mr. Vacura has a thorough knowledge of the Authority, its history and operations.

Wayne Johnson, First Vice-Chairman, a long-term resident and businessman in Juneau, the State Capital, is also a former Board member, well acquainted with the Authority's functions.

Marvin Mitchell, Second Vice-Chairman, is an Anchorage resident who has been active in labor and social fields for many years.

Charles W. Guinn is a resident of Bethel, a trading center for many villages located on the southwest coast of mainland Alaska on the Kuskokwim River. A contractor in the area for many years, Mr. Guinn brings to his office an impressive knowledge of native peoples which is invaluable to the Authority in its relations with and services to the total citizenry.

Kenneth W. Kadow is a member of the Board by virtue of his position as Commissioner of Commerce of the State of Alaska. A long-time resident of Anchorage, Mr. Kadow was in banking before appointment to his present office.

STAFF ORGANIZATION

Staff to carry out the function of the Authority is selected by the Executive Director. He is assisted by a Deputy Executive Director. The Administrative Assistant, Comptroller and General Counsel report directly to the Executive Director.

The Authority also has contract consultants with strong legal and financial backgrounds whose services are available on a full-time basis.

Currently, the staff numbers approximately 118 personnel in all branches of the organization. Housing project managers are retained in Anchorage, Juneau, Fairbanks, Ketchikan, Wrangell, Petersburg, Kodiak, Sitka and Cordova. A full-time Urban Renewal office is maintained in Juneau.

FINANCIAL STATEMENTS

The financial statements of the Authority were prepared by Ernst and Ernst, certified public accountants, for the years 1967 and 1968; by Peat, Marwick, Mitchell & Co., certified public accountants, for the years 1969 and 1970, and by Lybrand, Ross Bros. & Montgomery, certified public accountants, for 1971. Income and expense figures for those five years as shown in this official statement were taken from their audited reports.

THE STATE OF ALASKA

GENERAL

Because the State of Alaska is and will be the only tenant of the properties constituting the Project to be financed from the proceeds of the bonds, the State's finances, its economy and prospects are important to the security of the loan which they represent. As the 49th State of the Union, Alaska is to an extent familiar to most Americans. However, because of its short history as a State, its geographic separation from what Alaskans call "the lower 48," and the fact that its enormous economic potential had not been extensively exploited prior to its admission to the Union, the Alaska story was once less well known to most investors than those of other states. Largely as a consequence of the bond offerings of the Authority in recent years, as well as of those of the State and its political subdivisions, the State is now more familiar from the investor's point of view.

The following summary description discusses in an orderly fashion facts material to an understanding of the economic position and potential of Alaska, and therefore useful in a current appraisal of any obligation secured directly or indirectly by the Alaska State Government.

LOCATION AND HISTORY

Alaska consists generally of the extreme northwesterly peninsula of North America, plus an adjacent "panhandle" to the southeast, which includes Juneau, the State Capital, and other cities. It is bounded on the east by British Columbia and the Yukon Territory, on the south by the Pacific Ocean, and on the west and north by the Bering Sea and Arctic Ocean. Its land area of 586,400 square miles is 75% within the Temperate Zone, and makes Alaska the largest state in the Union by more than 100%. The boundaries of Alaska and Washington at their nearest points are separated by about 510 miles, though Alaska's vast size makes average distance much greater. Fairbanks, the most northerly of the principal cities, is 2,392 highway miles and 1,530 airline miles from Seattle. The state has 35,000 miles of coastline, including the sheltered and scenic "inside passage" through the Alexander Archipelago.

The history of Alaska as a United States possession began in 1867, when it was purchased from Russia for $7,200,000. At that time it was largely unexplored, unsettled and unexploited, and its great wealth of natural resources was at most only suspected. Though the Russians had hunted the sea otter and other indigenous fur-bearers, the land mass was otherwise largely ignored.

As a United States Federal District, and then as a Territory administered by the Federal Government prior to Statehood, Alaska remained largely undeveloped, though fishing, mining, trapping and lumbering prospered on a limited scale. The Klondike and Juneau gold rushes of the late 19th century are familiar parts of American history, and the important Alaska fishing and canning industry has been long established.

As United States population and economic requirements grew, the nation became better informed and more fully aware of the great asset which Alaska constitutes. Wisdom, equity, and foresight argued strongly for elevation of Alaska to Statehood for many years, and this was accomplished January 3, 1959.

Since its admission to the Union, Alaska has undergone spectacular economic development, substantial population growth, and a much increased visitor traffic, which includes great numbers of businessmen and prospective investors as well as tourists. According to all reasonable indicators, the protracted surge of activity since Alaska became a State is only the beginning of a long-term trend. Since the section ECONOMY herein principally emphasizes actual accomplishments to date, it should be borne in mind that impressive though these have been since 1959, they have only "scratched the surface" of Alaska's potential.

A widely-publicized earthquake in 1964 briefly interrupted growth, but reconstruction, backed up by about $336,000,000 in Federal grants and loans, as well as substantial contributions by state and local governments, has injected extra momentum to economic development. Both the rate and degree of this development had moved far beyond pre-earthquake levels several years ago, and the economic pace is not likely to abate within the foreseeable future.

GOVERNMENT

Alaska's Constitution, framed in a context of modern needs, prospects and aspirations, differs in some respects from those of the longer-established states.

The Governor and Secretary of State are elected for four-year terms. Fourteen principal executive departments generally supplant in function more than seventy departments, commissions, and other bodies through which the Territorial government was formerly administered. Department heads are appointed by the Governor, subject to confirmation by the Legislature. Ultimate responsibility for all executive departments is the Governor's.

A State Senate of twenty members and a House of Representatives of forty constitute the Legislature. The Legislative Council is a permanent interim committee established by the Constitution.

In lieu of a county system, Alaska has nine functioning boroughs, and one "unorganized" borough of large area and small population whose government is administered by the State. It is of some interest that the Constitution provides for no special-purpose tax districts. Financing of schools, for instance, water, sewers, etc. is the responsibility of the boroughs and cities (of the State in the case of the unorganized borough), and there is no overlapping of sewer districts, water districts, cities and other taxing entities.

General Obligation bonded debt may be contracted by the State and its political subdivisions for capital improvements. It may be authorized only by popular vote. Interim borrowing against revenue collections must be repaid by the end of the fiscal year next following the year in which the borrowing occurred.

PRINCIPAL CITIES

The principal cities of Alaska, in order of population reported for 1970, are Anchorage, Fairbanks, Juneau, Ketchikan, Sitka, Kodiak and Nome. Anchorage, by far the largest city and the center of the greatest area of concentrated population, is located on Cook Inlet in South-Central Alaska. Juneau, the capital, Ketchikan and Sitka are in the

panhandle, and Fairbanks is well inland, in the east-central part of the State. Fairbanks and Nome are the northernmost of the cities named. Kodiak is the population center of Kodiak Island, about 600 miles due west of the panhandle and southeast of the Aleutian Range of the Alaska Peninsula. Nome is on the south coast of the Seward Peninsula, in the far western part of the State.

The general growth pattern of the State and its local communities has indicated a definite trend toward concentration of population in and near the cities.

Anchorage, a metropolitan area of some 118,000, serves more than one-third of Alaska's total population within a thirty-mile radius. It accounts for about half of all bank deposits in the State, a third of school enrollments, half of total wholesale trade, a third of total retail trade, and perhaps 40% of service industry revenues. Coastal location and an excellent harbor qualify Anchorage as one of the best of the West Coast seaports. Among ocean carriers which serve Anchorage are Canadian National Railways, Alaska Line, Alaska Trainship Corporation, Pacific Western Lines, Puget Sound-Alaska Van Lines, Sea-Land and Japan "K" Line. A municipal 870′ x 270′ concrete and steel marginal wharf, with four gantry cranes and two container cranes, a 600′ petroleum dock and appurtenant sheds and facilities, plus additions now under construction, contribute to the community's stature and prospect as an important seaport. The $6,000,000, 225-bed Alaska Psychiatric Institute and four general hospitals of 724 beds capacity are in Anchorage. The Alaska Methodist University has been established at Anchorage since 1960. The City is the center of oil, gas and mineral exploration and development whose magnitude is discussed under ECONOMY. Anchorage has numerous branches of six financial institutions. Natural gas is delivered over an 82.5-mile pipeline. The area has two daily newspapers, 11 radio and television stations.

Fairbanks, the second largest city, with an area population of about 20,000, is a mining, transportation and tourist center, and the northerly terminus of the Alaska Railroad. It is also the home of the University of Alaska, which is important among the Fairbanks area's employers. The Alaska Centennial Exhibition is a tourist attraction at Fairbanks.

Juneau, third largest city at about 13,000 area population, is the State Capital. Its economy is also supported by fishing and logging operations, and its status as a major tourist center. It is served by the Alaska State ferry system and Canadian cruise ships.

550 housing units in 30 villages from north of the Arctic Circle to as far south as the lower mouth of the Yukon River.

Low-Rent Program

Preliminary work on the Housing Authority's low-rent program began in 1949, and the first low-interest loan contracts between the Authority and the Public Housing Administration were signed in 1950. Surveys were then taken in each community indicating an interest in having a project of this type, sites were selected, and architectural and engineering contracts were let.

Initially, the Authority undertook construction of 325 units: 50 in Juneau, 50 in Ketchikan, 75 in Fairbanks and 150 in Anchorage. In the summer of 1951, three contracts were let to private firms for construction of the units in Juneau, Ketchikan, and Fairbanks. By 1953, all of the units had been completed, and they have been occupied continuously since that time.

The program was reactivated in 1963 with an obvious statewide need for housing designed for the low-income families in urban areas. To this date an additional 326 units have been constructed by private firms under contract to the Authority in the following cities: Anchorage, 150; Cordova, 16; Juneau, 25; Ketchikan, 25; Kodiak, 40; Petersburg, 12; Sitka, 24; Valdez, 14, and Wrangell, 20. The total construction cost of these units was $9,836,215.

In addition the Authority has undertaken comprehensive modernization of the original units, now about seventeen years old, at a cost of about $3,000,000.

Additional housing needs have been surveyed, and new units will be acquired under the Turnkey concept. They are discussed in a section so titled.

Middle-income Program

The middle-income program, authorized by the Board in 1965, has produced two projects to date: 32 units in Wrangell and 24 units in Petersburg. Both projects are completed and under management. The housing was built under the provision of Section 221 (d) (3) of the National Housing Act, and is permanently financed by the FNMA at below-market-rate interest.

The Authority currently has no new middle-income projects in development. However, it is working closely with other organizations which have indicated interest in acting as non-profit sponsors for this type of housing.

Native Village Program

In 1963, the Housing Authority was granted $180,000 by the Federal Government to conduct a low-income housing demonstration project in remote native villages. The program called for experimental housing constructed in the three ethnological areas of the State—Southeastern Indian, Athabascan Indian and Eskimo. The most ambitious project undertaken by this grant was the relocation of an entire village to a new site on the Yukon River, commonly called the Grayling Project. The Authority administered the grant, and provided materials and technical assistance to the village to build 23 new homes. The mutual-help approach to construction was utilized, and the owners are now paying for materials used in the houses. This experiment is expected to provide a basis for future grants and programs for Alaska natives.

A new and very extensive native housing program is now being launched. It is designed to provide 1200 houses each year for five years in native towns and villages throughout Alaska with 100% Federal funding.

The program will be developed jointly by the Authority and the Alaska Federation of Natives with the Authority contracting with the Federal Government, administering the program and its finances and the native groups selecting the sites, the house designs and method of construction as well as the occupants. The program in its entirety may well amount to $200,000,000.

Remote Village Housing Program

Section 1004 of the Demonstration Cities and Metropolitan Development Act of 1966 authorized $10,000,000 for grants and loans to the State of Alaska to assist in providing housing and related facilities to remote Alaskans in accordance with a State-wide plan approved by the Secretary of the Department of Housing and Urban Development.

In 1967, because of a State-wide plan formulated by the Authority with the cooperation of other State agencies, the program was established by law under the Office of the Governor, who was directed to designate the agency to carry out the program.

The Authority was designated to carry out this program. There has been a $1,000,000 Federal appropriation of the 10,000,000 authorization. The State Legislature has authorized appropriations equal to 10% of actual Federal appropriations.

Congress appropriated $1,000,000 in fiscal 1969, and with 10% of the $1,000,000 in State matching funds, 160 houses were constructed in ten villages, using native labor working under experienced construction superintendents.

Similar amounts were appropriated and made available in fiscal 1970, and 175 houses were constructed in eight villages.

Since Congress has made no recent appropriation for that purpose, the State Legislature appropriated $1,000,000 as a substitute for the Federal funds so that the program might continue uninterrupted, and 126 houses are now under construction and are approaching completion.

The State Legislature has authorized the sale of $3,000,000 in general obligation bonds for construction of additional housing in the remote areas. Half of the authorized bonds have been issued and their proceeds made available to the Authority for use in the current year.

Sites are now in process of selection with some construction currently under way and the remaining schedules to begin in the spring of 1972.

Turnkey Housing Program

In the past year, the Housing Authority has entered into a number of contracts with the Department of Housing & Urban Development for the provision of housing for low-income families through the turnkey concept, whereby the housing units are completed by an independent contractor and payment is made upon completion of the project, its availability for occupancy and its acceptance by the Authority.

Two hundred Turnkey III units have been completed in Bethel and 50 in Nome. Eighty are about to be constructed in Fairbanks, 85 in Juneau, 100 in Ketchikan and 160 in smaller towns in southeastern Alaska. One hundred fifty additional units in Anchorage are projected for 1972.

THE ALASKA STATE HOUSING AUTHORITY

HISTORY OF OPERATIONS

The Alaska State Housing Authority (originally the Alaska Housing Authority) was created by an Act of the Territorial Legislature approved March 10, 1945, pursuant to an Act of Congress approved July 21, 1941. With its inception, the Authority's primary function was to help alleviate the Territory's serious post-war housing need. The Territorial enabling legislation allowed for the construction and management by the Authority of various types of housing, including veterans', low-rent, and defense.

Management

In the early 1940's the Federal Public Housing Administration constructed pursuant to the Lanham Act a total of 324 family dwelling units in Anchorage, Fairbanks, and Juneau for the purpose of housing war workers. Following its creation, the Authority assumed the management of these units, although title remained with the United States Government. Besides these units, the Authority was contracted to manage veterans' housing projects by the cities of Anchorage and Fairbanks. Both the war housing — classified as temporary — and the veterans' housing project have since been phased out of the Authority's operations.

Veterans' Housing

In the 1946 Territorial Legislature, a $100,000 revolving fund was established for use by the Authority in making accommodations available to Veterans of World War II who were enrolled in educational institutions in Alaska. Acting on this mandate, the Authority undertook construction of a 50-man dormitory for veterans at the University of Alaska. Upon completion, the Authority was responsible for its maintenance, and the University of Alaska for its management. Like the housing units, this dormitory has been phased out of the Authority's operations.

Alaska Housing Act

The Territorial Legislature directed the Housing Authority to recommend and seek passage of legislation, both Territorial and Federal, which would establish a program to remedy the Alaska housing shortage. Since the economics of Alaska were different from those of most states, the Authority examined the problem, and in 1947 took the first positive steps by submitting suggested legislation to the Congress. With this proposal, assistance then came from the Housing and Home Finance Agency, the Department of the Interior, and other Federal agencies. These agencies, with the Alaska Housing Authority, produced a plan which was introduced in Congress and the Territorial Legislature and later became the program of the Authority.

The 1949 Territorial Legislature approved legislative bills which would enable the Authority to activate provisions of a Federal bill then ready for presentation to Congress. The Territorial legislation as approved included an initial appropriation of $250,000. When the Federal legislation was approved, it included an initial appropriation of $15,000,000 and was called the "Alaska Housing Act" (P.L. 52, 81st Congress).

The initial concept of the Alaska Housing Act recognized the limited home financing available in Alaska, the high construction costs resulting from hurried defense and war construction, and the absence of a self-sufficient construction industry. The purpose of the plan was to encourage an adequate building industry and to establish the capacity to meet the ever-increasing need for home construction.

The needed program included production of more than 6,000 acutely needed dwelling units, encouragement of private financing, including a secondary financial market, and adjustment of existing Federal home mortgage insurance programs to the higher costs prevailing in the Territory. The Alaska Housing Act met these problems by:

1. Creating a $15,000,000 revolving fund for the use of the Alaska Housing Authority, of which $1,000,000 was set aside for a Remote Dwelling Program. (Later this fund was increased by $4,000,000.)
2. Increased FHA mortgage insurance limits up to one-third over the established limits under the National Housing Act.
3. Liberalized mortgage purchasing privileges for the Federal National Mortgage Association in Alaska.
4. Allowing the Alaska Housing Authority to make loans from the revolving fund where private financing was not otherwise available.
5. Direct construction by the Alaska Housing Authority of necessary dwelling units for any community where private sponsors were either unwilling or unable to undertake such housing construction.
6. Certain liberalization of mortgage insurance plans.
7. Calling upon private capital and all elements of the private building industry to participate to the fullest in the construction of necessary housing in Alaska. By so doing, it accomplishes a two-fold purpose: (a) Supplying necessary dwelling units, and (b) Promoting a self-sustaining building industry for strategic Alaska.

In 1950 Federal funds were obtained to lend to private sponsors for the construction of 25 single-family homes and 273 apartment units in Anchorage. Through the remainder of 1950, funds were received and lent for an additional 60 units. The Authority also undertook the construction of 25 units at Palmer. The total amount of Federal funds involved in the 1950 building season was $4,509,054.

During the life of the Public Law 52 program, the original goal of the Authority was more than met. By 1953, 7,500 units had been constructed. This new housing construction represented an investment of $10,000,000 by private enterprise. Prior to enactment of the Law, only eight single-family units had been built in Alaska under FHA regulations.

Remote Dwelling Program

As indicated foregoing, this program was established by Public Law 52. The program was based on home improvement loans, to a limit of $500 per person, and a 5% interest rate. Loans were to be repaid to the Alaska Housing Authority over a period of six years, and were designed as character loans, with no collateral required. As originally established, the Authority acted as agent in purchase and delivery of material, while the borrower either built or improved his dwelling.

By the end of 1952, the Alaska Housing Authority had assisted in the erection or improvement of approximately

THE ECONOMY

GENERAL

The State's economy continues to be heavily dependent upon extractive industry and natural resource production. Petroleum, fisheries, timber and tourism are the most important sources of revenue to the State and its inhabitants. Increasing capital investment by American and more recently by Japanese firms has helped to provide additional employment opportunities. Alaska has made significant progress in most sectors of the economy since statehood. Alaska's strategic location in the nation's defense posture against polar attack, the concomitant presence of military installations, personnel and support activities, including provision for on-base education for dependents, and the large Federal land ownership will continue to make Federal expenditures an important part of the overall economy.

POPULATION

Alaska's population is young; the birth rate in both 1960 and 1965 was the highest in the nation, and the State's death rate in these years was among the lowest in the country. The rate of population growth has been impressive, with a 6.7% average annual increase from 1950 to 1970. Shown below are census figures for population, numerical and percentage increases between reporting periods.

Year	Population	Increase Number	Increase Percent	Civilian	Military
1930	59,278	—	—	59,028	250*
1940	72,524	13,246	22.3	72,024	500*
1950	128,643	56,119	77.4	108,236	20,407
1960	226,167	97,524	75.8	193,475	32,692
1970	302,173	76,006	33.6	270,173	32,000*

* Estimated.

PETROLEUM

The emergence of the petroleum industry has been the most significant occurrence since statehood. Discovery of the huge North Slope oil reserves and receipt of over $900 million in bonus moneys in September 1969 solely for the leasing rights to less than 25% of this area holds promise of substantial additional income to the State as this field is developed. Total investment in Alaska by major U.S. oil companies for petroleum exploration, development, conservation and production during the last ten years exceeds $2 billion.

Since discovery of the Swanson River Field on the Kenai Peninsula in 1957, oil production has risen to a high of 238,000 barrels per day in October, 1970 from 54,000 barrels in January, 1967. There are now fourteen permanent platforms in Cook Inlet which have supplemented platforms from the Swanson River Field which is stabilized at 38,000 barrels per day. Proven oil reserves in Alaska are in excess of 10 billion barrels, ranking only second to Texas. Gas reserves are in excess of 31 trillion cubic feet and ranked third in the nation.

The 1970 value and output from natural gas fields increased 77% over 1969 figures and produced royalties to the State of nearly $510,000. There are eleven known gas fields in Cook Inlet and on the adjacent Kenai Peninsula with reserves estimated at 5.1 trillion cubic feet. In natural gas processing, Collier Carbon and Chemical Corporation, a Union Oil Co. subsidiary, is in production with a $50 million ammonia-urea manufacturing complex which uses 60 million cubic feet of gas per day. This dual purpose chemical plant is capable of producing 530,000 tons of ammonia annually and 350,000 tons of prilled urea fertilizer. It is the largest ammonia plant on the West Coast and the largest urea facility in the world. At present, there are 125 employees with an annual payroll of $1.3 million. Phillips Petroleum Company and Marathon Oil Company have commenced production from a $57 million natural gas liquefaction plant to supply 50 billion cubic feet of this product annually to two Japanese firms serving Tokyo. Marathon Oil Company, with Fluor Corporation as prime contractor, has constructed a $5.5 million natural gas extraction plant at West Foreland on Cook Inlet. Butane will be the principal product of this plant utilizing casinghead gas now being flared from four offshore platforms in the Trading Bay area.

At present, there are three operating refineries in Alaska, two on the Kenai Peninsula and one on the North Slope. The initial plant was built in 1963 at a cost of $10 million by Standard Oil Company of California. It has a capacity of 25,000 barrels per day and produces jet fuel, diesel fuel, stove oil and asphalt. The $18 million facility of Tesoro-

VALUE OF RESOURCE PRODUCTION
(000 Omitted)

Calendar Years	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970*
Petroleum	$ 17,776	$ 31,657	$ 33,761	$ 35,490	$ 35,872	$ 46,801	$ 95,455	$187,900	$227,129	$256,400
Fisheries	128,726	131,938	109,038	140,921	166,572	197,299	126,696	191,686	144,200	212,444
Forest Products	44,650	49,683	53,400	59,463	65,730	73,000	77,700	91,800	105,800	108,096
Minerals	16,957	22,539	34,079	30,601	47,583	35,882	41,692	20,700	30,647	42,700
Furs	4,500	7,955	6,446	6,500	6,058	6,900	6,500	6,500	6,300	6,200
Agriculture	5,500	5,827	5,478	5,575	5,386	5,200	5,524	5,600	4,574	5,100
Totals	$218,109	$249,599	$242,202	$278,550	$327,201	$365,082	$353,567	$504,186	$518,650	$630,940

* Preliminary figures.

Alaskan Petroleum Corp. was completed late in 1969. Using crude oil purchased from the State, which has reserved the right in its leases with oil companies to receive royalty payments in cash based on well-head value or in kind, the refinery has a production capacity of 20,000 barrels per day and also makes jet and diesel fuels. Atlantic Richfield Company has completed a 1,000 barrel per day diesel refinery at Prudhoe Bay to supply fuel for vehicles and drilling rigs. Crude oil is supplied by a well in the Prudhoe Bay field. Earth Resources Co. has announced plans to construct a refinery at Fairbanks having a capacity of 10,000 to 15,000 barrels per day to utilize North Slope crude oil.

Since award of leases on the North Slope in September 1969, successful bidders have continued drilling efforts to determine the size of the field discovered by Atlantic Richfield's and Humble's Prudhoe Bay No. 1 and Sag River No. 1 wells. These companies and Mobil have released flow data on wells subsequently completed which indicate production potential of better than 2,700 barrels per day. The Standard Oil Company of Ohio, which acquired North Slope acreage through merger with BP Oil Corp., has released test information showing tests up to 23,700 barrels per day. Such flows might indicate a sustained production rate in excess of 10,000 barrels daily. Field rules have been instituted by the State and construction of base camps is proceeding with development drilling. Atlantic Richfield has completed a $150 million housing complex for crews, storage of materials and installation of a feeder pipeline system for the gathering of crude oil. BP Oil Corp. has also announced award of a smaller contract for similar facilities.

Construction of an 800-mile, 48-inch pipeline to move crude oil from the North Slope to an all-weather port in the Gulf of Alaska is planned by subsidiaries of Atlantic Richfield, BP Oil, Humble Oil & Refining, Mobil Oil, Phillips Petroleum, Home Oil, Union Oil and Amerada Hess. The cost of this facility is estimated to exceed $1.75 billion. It must meet approval from the U.S. Department of the Interior, which has conducted exhaustive tests, along with the oil companies themselves, with relation to the ecology and environment. Final pipeline approval now awaits the completion of an environmental impact statement from the Department of Interior. Hearings have been completed on a draft statement and the final statement is being prepared. The initial capacity of the system will be about 600,000 barrels per day with expansion planned to 1.7 million barrels per day over a two-year period. The terminus of the pipeline has been designated to be Valdez where berths for three 250,000-ton tankers and two 120,000-ton vessels are proposed. Atlantic Richfield has plans for construction of a 100,000-barrel refinery near Bellingham, Washington and has placed orders for two new 810-foot tankers with a capacity of 548,000 barrels each for use in Alaska service.

Direct revenues to the State from petroleum land rentals, royalties, bonuses, fees and severance taxes totaled nearly $1.2 billion from fiscal 1959 to fiscal 1970. The State imposes a variable oil tax on the well-head value of production, ranging from 3% to 8% based on average daily per-well production. The severance tax rate for gas is 4% of the gross value of the gas and liquid products produced. These present severance tax rates on oil and gas became effective on July 1, 1970. Prior to that date, the rate for both oil and gas was 4%. In addition the State receives a royalty payment of 12½% of the production value. It is expected that the State's annual income from oil and gas will treble during the first year of production on the North Slope.

FISHERIES

Alaska's fisheries resources have historically been the backbone of the Alaskan economy, until 1963 contributing as much as all other natural resources combined. The dramatic recent developments in the petroleum industry and power and communications fields have tended to overshadow the performance of the fisheries resource.

Since assuming responsibility for fisheries management at the time of statehood in 1959, the State has made efforts to stabilize an otherwise volatile resource. Alaska has adopted the principle of sustained yield, and has employed professional and scientific personnel in management of its fisheries. Shown below is data on the catch and wholesale value of salmon, king crab and halibut for the years 1960-1970.

	SALMON		KING CRAB		HALIBUT	
Year	Catch in Pounds (millions)	Wholesale Value (millions)	Catch in Pounds (millions)	Wholesale Value (millions)	Catch in Pounds (millions)	Wholesale Value (millions)
1960	207.10	$ 83.11	28.57	$ 5.29	28.4	$ 3.74
1961	264.81	107.05	43.41	9.63	33.4	7.04
1962	277.85	102.42	52.78	11.86	32.7	10.29
1963	223.06	75.99	78.74	16.77	28.7	7.93
1964	311.62	104.76	86.72	21.26	22.75	8.01
1965	274.84	116.81	131.67	31.66	30.23	12.08
1966	333.33	134.69	159.20	44.38	28.9	11.11
1967	138.52	69.86	127.72	36.95	25.6	7.21
1968	285.27	132.63	82.04	42.52	13.2	3.27
1969	219.15	95.23	57.73	26.58	21.32	7.74
1970*	333.33	137.51	51.92	25.19	26.71	10.12

*Estimated by State of Alaska Department of Fish and Game.

sition Bonds which are then outstanding. Subject to the deposit of such moneys and delivery of this Construction bond issue the lease agreement with respect to the 1966 Acquisition Bonds will be terminated.

The proceeds of the Acquisition bond issue will be used to acquire an office building (the "Island Center Building") located in Douglas across Gastineau Channel from Juneau. This structure (approximately 3 miles from the State Capital) was completed in 1961 for occupancy by the State Highway Department under a lease from a private corporation. The original 10-year lease expires January 1, 1972 and the Authority, the owners of the Island Center Building and the State as lessee have entered into an agreement whereby the Authority will purchase the Island Center Building for $1,020,000.

It should be noted that monthly rentals now being paid the owner of the Island Center Building by the State of Alaska exceed ½ of the maximum annual rental expected to be paid by the State of Alaska to the Alaska State Housing Authority to service the 1972 Acquisition bonds.

USE OF BOND PROCEEDS

The proceeds of the 1972 Construction bond sale will be applied, approximately as indicated herein:

Construction, land, architectural and inspection costs (including contingencies)	$7,200,000
Costs of bond sale	60,000
Additional contingency provision	100,000
Estimated interest payable on bonds, during construction (capitalized for 39 months)	1,710,000
LESS: Earnings from investment of funds during the construction period	(790,000)
	$8,280,000

Construction cost estimates were prepared by the architects under contract, and have been reviewed by the Division of Buildings, Department of Public Works, State of Alaska.

While a contingency factor has been included in the estimate of contract costs, an additional contingency reserve of $100,000 has been provided for possible over-run of estimates and for change orders.

The project, while under construction, will be covered by 100% Performance and 100% Payment Bonds and will be further protected by an all-risk insurance policy for fire and extended coverage, earthquake and other hazards, including third-party interests.

The proceeds of the 1972 Acquisition bond sale will be applied approximately as indicated herein:

Purchase price established by appraisal and option agreement	$1,020,000
Engineering, rehabilitation costs	100,000
Cost of bond sale	10,000
	$1,130,000

ARCHITECTURAL AND ENGINEERING SERVICES

The Construction Project has been designed by qualified professional architects under contract to the Department of Public Works, State of Alaska. The architectural contract for the 1972 Project requires re-design at the expense of the architect if contracts cannot be let within the total construction cost estimated.

The Division of Buildings, Department of Public Works, will be responsible for continuous supervision of construction of the Project until completion. The Division of Buildings' staff will be assisted by an engineer on the staff of the Alaska State Housing Authority.

The Division of Buildings, under supervision of the Commissioner of Public Works, is responsible for supervision of construction and the operation and maintenance of all State buildings. The Division's activities are financed from general appropriations, bond proceeds and Federal funds from a variety of sources.

In addition to its Headquarters' staff in Juneau, the Division maintains field offices in Anchorage and Fairbanks for the inspection of construction in progress and the maintenance of State Buildings in those cities and adjacent areas.

AGREEMENTS OF LEASE NO. 11 AND 12

The 1972 projects will be covered by Agreements of Lease No. 11 and 12, to be entered into prior to the delivery of the bonds by the State of Alaska and the Alaska State Housing Authority pursuant to Section 37.05.280 of the Alaska Statutes.

The No. 11 lease covering the 1972 Construction Project provides for eighteen annual rental payments on July 10, 1975 through July 10, 1992. The first of such payments will be equal to the interest due on October 1, 1975 and April 1, 1976 plus the principal of bonds maturing October 1, 1975 together with administrative expenses of the Authority in the amount of $5,000. Interest to and including the coupon payable April 1, 1975 is capitalized in the bond issue.

The form of the lease to be entered into is included among the legal documents available to prospective investors. Prior to bond delivery, the lease will be entered into in substantially that form.

It may also be noted that in the event of non-completion of the 1972 Construction Project in time for rent to become payable under the lease, the State Legislature could legally appropriate funds to enable the Authority to meet payments on the bonds.

The No. 12 lease covering the 1972 Acquisition Project provides for rental due March 10, 1972 in an amount at least equal to the April 1, 1972 interest coupon (less any accrued interest) on the Acquisition bonds and then twenty-one annual rental payments due July 10, 1972 through July 10, 1992. The first such annual rental payment will be at least equal to the October 1, 1972 and the April 1, 1973 interest payments. Thereafter annual rentals shall also include annual interest and an amount equal to the then current principal payments due on the Acquisition bonds. No interest has been capitalized in the Acquisition bond issue since continuous state occupancy and an uninterrupted rental flow can be expected to service said bonds.

PANORAMIC SCENE
Downtown Anchorage and the Chugach Mountains

Other fishery products of significant value include Dungeness crab, shrimp, herring spawn on kelp, oysters, clams, scallops and bottom fish.

In 1970, the fisheries industry gave employment to 31,088 persons, including 22,088 licensed fishermen and 9,000 in the operation and maintenance of 110 canning plants, 45 curing facilities and 235 plants to process fresh and frozen seafood products. In 1970, more than 10,800 fishing vessels were licensed and permits were issued for utilization of some 13,655 pieces of equipment for catching fish by various methods. Fishing and packing operations are mostly seasonal in nature, but increasing development of new commercial species and exploration of the vast continental shelf extending off the Alaska coast have resulted in more effective resource utilization and extension of the fisheries seasons.

TIMBER

The U.S. Forest Service estimates that 28 million of Alaska's 119 million acres of forest lands can be commercially developed, defining commercial as land capable of producing an annual crop of 20 cubic feet of timber per acre on a sustained yield basis. Current inventory methods indicate that the State's commercial forest lands contain 50 billion cubic feet of timber and that the annual cut on a sustained yield basis is about 1.5 billion board feet. By area, 5.7 million acres of commercial timber is located in the coastal region and 22.4 million acres in the interior. By volume, 80% of the marketable timber is contained in the coastal forests.

The volume of saw timber on commercial forest lands is estimated at 215.5 billion board feet and is equivalent to live saw timber lands in the New England, Middle Atlantic, East North Central and East South Central States. Timber in the coastal region is 73% hemlock and 21% spruce, both well suited for pulp and paper manufacturing. Interior stands are predominantly white birch and white spruce.

Timber production in Alaska comes approximately 90% from the two National Forests, Tongass and Chugach. These forests are accessible to water transportation and enjoy an abundance of water for both power production and processing purposes. The allowable annual cut is 888 million board feet and these forests are administered by the U.S. Forest Service under a sustained yield and multiple-use principle. Total timber production in Alaska since statehood has increased gradually from 274 million board feet in 1959 to over 600 million board feet in 1970.

Existing pulp plants at Ketchikan and Sitka have a combined capacity of more than 1,000 tons daily requiring over one million board feet of timber per day, and each mill employs approximately 1,000 men in production and logging. The value of output from these two mills exceeds $50 million annually. The Ketchikan facility, owned by Georgia-Pacific Corporation and FMC Corporation, produces pulp used as a basic material in the manufacture of rayon and cellophane. The Japanese-owned Sitka plant output is utilized in textile manufacture.

U.S. Plywood-Champion Papers, Inc. in December, 1969 announced selection of Berner's Bay, 42 miles north of Juneau, as the site of a $100 million sawmill and unbleached pulp mill to be in operation by mid-1973. This facility will employ 300 persons at the mill site and another 500 workers in harvesting timber. The company entered into a contract in September, 1968 with the U.S. Forest Service, Department of Agriculture for purchase of 8.75 billion board feet of timber from the Tongass National Forest in Southeastern Alaska over a period of 50 years, the largest sale of timber ever made by the Forest Service. The validity of the contract was the subject of litigation in United States District Court at Juneau in November 1970. The Court decision announced in March 1971 stated that the timber sale was legal and within the authority of the Secretary of Agriculture and that all of the multiple uses had received consideration at the time the sale was made. The period for appeal has not expired. The pulp mill will have a capacity of 550 tons daily and its output will be sold to the Kanzaki Paper Manufacturing Company, Ltd. of Tokyo in accordance with the terms of a 15-year $600 million contract.

High-grade timber is sold to a number of Alaska sawmills for processing into finished lumber and cants for both export and domestic use. Mills with a daily capacity of 100,000 board feet are located at Haines, Ketchikan, Seldovia and Wrangell, and numerous smaller mills are found throughout the State to serve local needs. Recent demands for timbers and pilings from oil companies drilling on the permafrost surface of the North Slope have created a ready market for interior timber resources and will especially benefit the small sawmill operator in the Fairbanks area.

The total value of forest products has increased from $44 million in 1961 to more than $108 million in 1970. Total employment provided by the industry varies seasonally from 2,500 to 3,000.

MINERALS

The mineral and mining industry has historically made an important contribution to Alaska's economy commencing with the discovery of gold prior to the turn of the century. Excluding petroleum, the value of mineral products has averaged in excess of $30 million annually since 1959 and totaled $42.7 million in 1970.

Production of sand and gravel in 1970 was approximately 20 million tons valued at more than $26 million. Government agencies and their contractors use more than 75% of the production of sand and gravel, primarily for fill, paving and construction. Known coal reserves are estimated at 120 billion tons, widely distributed throughout the State. The primary producing field is located at Nenana. Reserves there and at Matanuska exceed seven billion tons. Strip mining is used in these fields exclusively and recent completion of a nine-mouth steam generating plant at Healy to serve Fairbanks will help output from the Nenana field. Utilizing pulverized coal at the rate of 11 tons per hour at full load, this 22,000 kw facility cost $10.1 million and is the largest generating unit in Alaska.

The value of gold production in 1970 was less than $1.5 million and is attributable to the disparity between production costs and the fixed price of $35 per ounce. Other minerals produced include copper, lead, mercury, tin, platinum group metals, silver, barite, gem stones and stone, having a combined value of approximately $15 million. Kennecott Copper Corporation owns claims at Bornite

in the Kobuk area north of the Arctic Circle and together with its exploration subsidiary, Bear Creek Mining Co., has outlined an estimated reserve of more than 100 million tons of rock containing more than 1% copper.

TRANSPORTATION

As an industry, transportation provided jobs in Alaska for an average 6,370 persons in 1970 and had a yearly payroll of $70 million. However, the real importance of the industry is not so much its direct payroll but rather its ability to bring people and goods to the State. Since much of the equipment maintenance for this purpose is performed outside Alaska and many of the personnel involved in transport operations are non-residents, the number of employees and their payroll in the State is lower than might otherwise be expected.

The greater distances in and to Alaska and the present stage of development of the highway system and other modes of surface transportation have made Alaska the most air-minded state in the Union. On a per capita basis it ranks first in number of airplanes, pilots, passengers and tonnage of cargo flown. Including the State-operated airports, there are 794 airfields or seaplane facilities and scheduled air service is available to nearly 300 locations throughout Alaska. Over 6,000 civil pilots were licensed in the State in 1970 and aircraft registration was over 3,600.

The principal airports in Alaska are capable of handling most jet aircraft flown commercially today. The Anchorage International Airport has been expanded to receive Boeing 747 jumbo jet aircraft.

Inter-Alaska air service between Seattle and Anchorage, Fairbanks, Juneau, Kodiak, Sitka and Ketchikan, on daily or more frequent schedules, is provided by Western Airlines, Alaska Airlines, Pan American World Airways or Northwest Airlines. The latter also connects Chicago and New York with Anchorage, and Western flies an Anchorage-Honolulu route. Pan American now stops at Fairbanks on its round trip New York to Tokyo flights. Juneau, 950 air miles from Seattle, can be reached in a little over 2 hours, Anchorage, 1,450 air miles from Seattle in 3¼ hours and Fairbanks, 1800 miles away, in 3½ hours.

Intra-Alaska air service between those cities served by inter-Alaska carriers and other population centers, and in some cases between these principal cities as well, is provided by Alaska Airlines, Interior Airlines, Kodiak Airways, Munz Northern Airlines, Reeve Aleutian Airways, Western Alaska Airlines, Western Airlines and Wien Consolidated Airlines. In addition to these carriers, there are 236 air taxi or contract operators certified by the State. Alaska Airlines, after obtaining permission from the United States government and the Soviet Union, operates round trip charter flights from Anchorage to Khabarovsk, Siberia, where connections are made with the Russian airline, Aeroflot, to visit cities such as Moscow and Leningrad, and will offer direct charter flights to Leningrad from Anchorage this year.

Railroad transportation in Alaska consists of 470 miles of standard gauge mainline and 55 miles of branch line of the Federally-owned Alaska Railroad. The railbelt it serves, however, contains over half the population on its route from Whittier and Seward on the south central coast to interior Fairbanks, and its presence has been important to the development of this area. At Whittier, cars are transferred directly to or from train-ships engaged in Alaska service. In addition, the White Pass and Yukon Railroad extends from Skagway, Alaska to Whitehorse in the Yukon Territory of Canada. A narrow gauge line, it connects with the Alaska State Ferry System for passenger exchange and also transports ore for trans-shipment via water to West Coast and Japanese processors. Port facilities at Skagway have capacity for four million tons of ore annually.

Reliance is placed on marine transportation for movement of the great majority of goods to and from Alaska. This is a natural outgrowth of the distances involved, the need for low cost shipment of the principal resource commodities exported (timber products, petroleum, minerals and fisheries output) and the availability of many protected sites along the State's coastal areas. The Alaska State Ferry System owns and operates four large ferry-vessels serving its southeastern communities and Seattle and two vessels serving the communities of Seward, Homer, Kodiak, Valdez, Cordova, Whittier and Seldovia.

Automobile and truck transportation, although limited by the availability of highways and roads, continues to expand in volume of registrations, cargo carried and miles driven. Regularly scheduled bus and motor freight service is provided between Alaska and points in the Pacific Northwest and Midwest via the Alaska Highway and connecting systems. Total vehicle travel in the State was estimated at more than 1.378 billion vehicle miles in 1970. Shown below is the growth in motor vehicle registrations since statehood.

STATE OF ALASKA MOTOR VEHICLE REGISTRATIONS

1959	71,341	1965	111,637
1960	81,924	1966	118,217
1961	86,640	1967	123,887
1962	89,789	1968	135,121
1963	91,746	1969	156,211
1964	100,113	1970	170,424

TOURISM AND RECREATION

As transportation access has become more convenient and construction of suitable visitor accommodations has increased, more people have come to Alaska to enjoy its unique scenic, hunting, fishing and natural assets. The State's Department of Economic Development, through its Travel Division, is actively pursuing a promotional program involving advertising, publicity releases, participation in travel shows, and direct contact with travel agents and tour operators. More than $500,000 is spent annually by the State on this program.

Sport fishing and hunting licenses issued by the State have increased each year, indicating the popularity of these activities with residents and visitors alike, from 46,116 fishing and 33,011 hunting licenses in 1960 to 113,394 fishing and 67,974 hunting licenses in 1970. The State received income of $1,423,599 from this source in 1970, which includes only non-commercial licenses with the exception of trapping privileges not separately reported. Big game species include brown or Kodiak bear, grizzly bear, polar bear, moose, deer, caribou, and Dall sheep. Game birds of many varieties are found here, including ducks, geese, ptarmigan and grouse. Sport fishing for several salmon and trout varieties, grayling, pike, and sheefish is unexcelled.

THE STATE LEASE PROGRAM

HISTORY

In early 1964 the Governor requested the Alaska State Housing Authority to conduct a survey of the needs of the State of Alaska for office and service type buildings and employee housing. A report was compiled from information solicited from the various State agencies for building space needed throughout the State. This report formed the basis for the introduction and passage of legislation in 1965 which empowered the Alaska State Housing Authority to issue bonds to finance the construction and acquisition of public buildings for lease to the State of Alaska. Each subsequent Legislature has authorized the State to enter into leases for additional facilities to be acquired or constructed by the Housing Authority under the State Lease Program.

PROJECTS PREVIOUSLY FUNDED

The Alaska State Housing Authority sold a total of $4,735,000 par value State Lease Revenue Bonds on June 21, 1966, to finance two state lease projects. The facilities included in these projects were designated as priority by the Governor for the 1966 program. A building in Juneau was acquired from the proceeds of the $360,000 State Lease Revenue Bonds (Acquisition Project No. 1) ("the 1966 Acquisition Bonds") for occupancy by the State Department of Health and Welfare. The remaining $4,375,000 in bond proceeds was committed for construction of nineteen separate facilities, called the 1966 Project. The 1966 Project as subsequently revised is complete and fully occupied by the State.

On July 6, 1967, $5,020,000 State Lease Revenue Bonds were issued for construction of fourteen separate facilities throughout the State. These facilities were designated as priority by the Governor for the 1967 program.

This project is complete and fully occupied by the State. The estimate of $400,000 of surplus funds generated by the 1966 and 1967 bond sales and by interest earnings on temporary cash investments was exceeded, and became available to later projects.

On November 26, 1968, $4,940,000 State Lease Revenue Bonds were issued for construction of nine projects throughout the State in two phases.

These projects are complete and rents from the State are being paid to the Trustee as originally scheduled.

On March 28, 1969 $5,750,000 State Lease Revenue Bonds were issued for the purchase of existing courthouses in Anchorage and Fairbanks, which the State has occupied without interruption during and subsequent to conveyance of title.

On October 7, 1970 the Authority sold $29,095,000 in State Lease Revenue Bonds for the 1970 Project. The 1970 Project, divided as three phases, consists of nine widely distributed sub-projects for various purposes. The Third Phase Project consists exclusively of the largest single sub-project, a $12,700,000 State Office Building at Juneau. Others of the larger 1970 sub-projects are a $3,000,000 Ketchikan Court and Office Building, and a $2,843,000 Anchorage District Highway Complex. Two highway shops, an Alcantra Youth Camp, a Sand Point Fish & Game Headquarters, and Combined Facilities at Fort Yukon, each of less than $1,000,000 cost are also financed from 1970 Project bond proceeds.

The 1970 Project bonds proceeds included $4,200,000 for a Court building at Anchorage. Since delivery of the bonds, it had been determined that it would be economical to design that facility with substantial additional space and accommodation, and to construct it as so enlarged under a single construction contract. This additional Anchorage Court facility constituted the 1971 Project and was financed with the proceeds of a further bond issue in an aggregate principal amount of $3,800,000 which was sold on August 24, 1971.

Ground has been broken for the Anchorage Court Building. The first stage of construction will proceed during the present winter and the building should be ready for State occupancy as originally scheduled.

The 1972 Projects, hereinafter described, are the latest in the series of projects to be constructed by the Alaska State Housing Authority for lease to the State of Alaska.

THE 1972 PROJECTS

DESCRIPTION

The proceeds of the Construction bond issue will be used to construct a new Court Building in the Capital City of Juneau. The building will be used by all branches of the Judicial system. It will be located centrally immediately facing the State Capitol.

It is noted that a part of the site of the new Court Building will consist of the land leased to the State under the lease agreement securing the 1966 Acquisition Bonds of the Authority. Pursuant to the Trust Indenture with the Franklin National Bank as Trustee, dated as of June 1, 1966, with respect to the 1966 Acquisition Bonds, the Authority prior to the delivery of this Construction bond issue, will deposit sufficient moneys from surplus funds on hand and available therefor with said Trustee to pay principal, interest and redemption price due on the 1966 Acqui-

MATURITY SCHEDULE

The Construction bonds will mature on October 1 of each year according to the schedule set out below:

Year	Par Value Maturing	Year	Par Value Maturing
1975	$250,000	1984	$450,000
1976	265,000	1985	480,000
1977	285,000	1986	510,000
1978	305,000	1987	545,000
1979	325,000	1988	580,000
1980	350,000	1989	620,000
1981	375,000	1990	660,000
1982	400,000	1991	705,000
1983	425,000	1992	750,000

The Acquisition bonds will mature on October 1 of each year according to the schedule set out below:

Year	Par Value Maturing	Year	Par Value Maturing
1973	$25,000	1983	$55,000
1974	30,000	1984	60,000
1975	30,000	1985	65,000
1976	35,000	1986	65,000
1977	40,000	1987	70,000
1978	40,000	1988	75,000
1979	45,000	1989	80,000
1980	45,000	1990	85,000
1981	50,000	1991	90,000
1982	50,000	1992	95,000

REDEMPTIONS

Bonds of both series maturing on or before October 1, 1983 shall not be callable. Bonds maturing October 1, 1984 and later will be subject to redemption as a whole on any interest payment date on and after October 1, 1983 at par value plus a premium of ¼ of 1% of principal redeemed for each year or fraction thereof remaining to maturity of each respective bond redeemed.

SECURITY

The bonds of each of these issues are secured by a pledge of rentals payable by the State of Alaska for the right to use and occupy the respective 1972 Projects. In addition the bonds are direct and general obligations of the Alaska State Housing Authority.

The bonds are being issued to provide funds for the construction and acquisition of facilities for lease by the State of Alaska described more completely in this Official Statement under "The 1972 Projects." The leases, "Agreements of Lease No. 11 and 12," to be executed prior to delivery of the bonds, will specify rentals adequate for debt service and administrative expenses of each respective bond issue.

The Trust Indenture will provide that the rents due to the Authority under the leases will be paid by the State of Alaska directly to the Trustee, who as Paying Agent will use said rents to pay interest on and principal of the bonds. Copies of the Trust Indenture in preliminary form and limited supply, are available from the Authority's Financial Advisor or Bond Counsel.

The bonds will not be a debt of the State of Alaska. *The liability of the State of Alaska for payment under the leases will be limited to payment of each installment of rent as it becomes due, and each payment of rent shall be made in consideration of the right of the State, whether or not exercised, to occupy and use the respective 1972 Projects.*

Prospective investors are referred to Agreements of Lease No. 11 and 12 for complete text, as well as to the Indenture and other legal documents.

STATE TO OPERATE

Like all structures leased by the Authority to the State of Alaska, the Projects will be operated and maintained by the State of Alaska as the tenant. Under the terms of the leases the State will pay the costs of operation and maintenance, which are to include not only such common charges as utility bills, taxes and assessments of any type, heating, painting and repairing, but also insurance costs as more completely described in the leases. After payment of debt service, the State's rental payments may be used to pay Authority administrative expense, and to pay fees due the Trustee and Paying Agent. Payment of either of the latter two charges may be made only from amounts remaining with the Trustee after satisfaction of principal and interest requirements.

ADDITIONAL INFORMATION

All pre-sale inquiries received by the Authority's Financial Advisor will be given prompt attention. Such inquiries should be addressed to Rafferty, Guerin & Co., P. O. Box 8727, San Francisco International Airport, California 94128, Telephone (415) 457-1166 or (415) 369-8122 or to Ernest Spink, Alaska State Housing Authority, P. O. Box 179, Anchorage, Alaska 99510, Telephone (907) 279-7643 or (907) 272-1471.

In addition to the tourist attraction provided by the many cities and villages and the opportunity to visit lumbering, pulp and fisheries facilities in operation, there are vast areas of great natural beauty. Alaska's scenic southeastern coastline dotted with tree-covered islands, its towering mountain ranges with numerous glaciers and icefields, and its countless lakes, rivers and streams offer the outdoorsman as well as the less hardy a great variety of recreational activity. Winter sports facilities are also being improved at the existing ski areas near Juneau and Fairbanks, and Mt. Alyeska, outside Anchorage, features a mile-long double chair lift.

There are two national forests, Tongass and Chugach, encompassing 20 million acres, four designated recreation and scenic areas including Portage Glacier and Mendenhall Glacier, one national park (Mt. McKinley) and three national monuments (Glacier Bay, Katmai and Sitka) which cover 6.9 million acres, and 15 national historic landmarks. There are 18 Federal wildlife areas, comprising 19 million acres, including the Kenai Moose Range, Kodiak Wildlife Refuge, Izembek Wildlife Range, Aleutian Wildlife Range and Arctic Wildlife Range, most of which offer hunting and fishing in addition to nature study and photographic opportunites.

During 1970 the State created the 282,000-acre Denali State Park adjacent to Mt. McKinley National Park, the 22,000-acre Nancy Lake Recreation Area, the 512,000-acre Chugach State Park, and the 111,000-acre Kachemak State Park. The State presently maintains over 55 campgrounds. A recently completed comprehensive state-wide outdoor recreation plan prepared by the Alaskan Department of Natural Resources calls for an additional 161 wayside parks to be developed in this decade.

GENERAL BUSINESS ACTIVITY

As Alaska's population has grown, general businesses, financial organizations and commercial enterprises have been established to provide the local goods and services required. Gross business volume in Alaska has risen steadily since statehood as shown on page 24. The Department of Revenue collects the business license tax based on these figures as reported to the State. Business activities of the fishing, mining and alcoholic beverage industries which are taxed by specific levies are not included in the totals shown.

The number of business licenses issued by the Department of Revenue has grown steadily since statehood, indicative of the over-all increase in the State's economy, from 9,203 licenses issued in 1959 to 15,541 in 1970. The number of business corporations formed has steadily increased from 3,235 active registrations in 1959 to 8,242 in 1970, and their registration fees now represent a moderate income source to the State. The number of companies permitted to write insurance in Alaska has increased from 303 in 1960 to 535 in 1970. At present there are six state banks, five national banks and two mutual savings banks authorized to conduct business in Alaska. Including branches there are 74 banking offices in the State.

Employment data for years since 1962 by major classification are shown in the following table prepared by the State Department of Labor. The difference between non-agricultural employment and total employment includes self-employed persons, domestics and agricultural workers. Many fishermen and boat owners are in the self-employed category. The State itself employs approximately 29% of the total number shown in the government classification.

ALASKA WORKFORCE SUMMARY

	1962	1963	1964	1965	1966	1967	1968	1969	January-September (Nine Months) 1969	1970*
Total Civilian Workforce	76,900	80,600	83,800	89,800	92,800	96,400	100,100	107,900	108,000	117,600
Total Employment	69,700	73,100	76,700	82,100	84,400	88,000	91,000	98,500	98,400	105,500
Government*	25,000	27,100	28,100	29,700	30,900	31,800	32,200	33,300	33,300	35,300
(see Breakdown Below)										
Trade	8,200	8,600	8,800	10,000	10,800	11,800	12,500	14,000	13,700	15,200
Services	6,000	6,400	6,900	7,500	7,800	8,700	9,300	10,500	10,400	11,500
Transportation, Communications & Public Utilities	7,100	6,900	6,900	7,200	7,300	7,500	7,800	8,800	8,800	9,200
Manufacturing	5,500	5,700	5,600	6,300	6,600	6,600	6,900	7,000	7,400	8,400
Contract Construction	4,000	4,200	5,800	6,400	5,900	6,000	6,000	6,700	6,400	7,000
Finance, Insurance & Real Estate	1,700	1,900	2,000	2,200	2,300	2,300	2,500	2,600	2,600	3,100
Mining	1,200	1,200	1,200	1,100	1,400	2,000	2,500	3,500	3,600	3,100
Miscellaneous & Unclassified	200	100	100	100	200	200	100	200	200	200
Total Non-Agricultural Employment	58,900	62,100	65,400	70,500	73,200	76,800	79,800	86,600	86,400	93,000
*Government Breakdown:										
Federal	15,700	16,600	17,200	17,400	17,500	17,400	16,900	16,500	16,600	17,100
State	5,200	6,200	6,300	7,000	7,700	8,100	8,700	9,300	9,300	10,300
Local	4,100	4,300	4,600	5,300	5,700	6,300	6,600	7,500	7,400	7,900

*Preliminary estimates.

GROSS VOLUME OF BUSINESS BY TYPE OF COMMERCE
CALENDAR YEARS 1961 TO 1970
(000 Omitted)

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
Retail Trade	$296,028	$306,888	$347,421	$ 356,748	$ 395,208	$ 466,582	$ 474,177	$ 514,267	$ 596,312	$ 712,535
Construction	223,757	258,080	185,453	192,968	331,156	324,823	324,756	352,195	312,843	465,820
Transportation, Communications and Utilities	104,588	104,555	158,547	146,714	138,938	155,444	162,165	155,514	437,809	444,845
Wholesale Trade	79,311	100,195	63,377	125,989	99,435	167,112	172,731	140,412	156,055	213,007
Manufacturing	35,253	51,410	58,516	77,135	78,044	83,297	93,917	100,939	110,760	71,300*
Miscellaneous	9,296	18,930	32,726	45,015	58,735	80,176	105,232	78,674	188,669	177,534
Finance and Real Estate	45,497	41,052	53,585	60,048	60,869	72,563	62,964	78,586	135,551	478,841†
Professional	16,725	18,300	20,413	24,495	27,712	31,933	33,484	59,143	49,601	41,986‡
Service	22,736	32,458	24,126	25,757	24,905	33,842	40,710	58,939	53,892	86,481
Agriculture and Forestry	8,838	16,959	9,803	12,752	15,402	13,448	12,693	16,663	36,356	64,495§
Totals	$842,029	$948,827	$953,967	$1,067,621	$1,210,404	$1,429,220	$1,482,829	$1,555,332	$2,077,848	$2,756,844

*Decrease indicates reallocation of receipts to wholesale and forestry categories.
†Substantial increase reflects reporting of gross banking receipts rather than net taxable receipts.
‡Decrease reflects reallocation to non-professional services and to real estate and banking.
§Increase reflects reallocation from manufacturing.

STATE FINANCIAL POSITION

The State maintains a central accounting system, utilizes modern equipment, and publishes monthly and annual financial reports. It has a modern budget procedure and control over expenditures. Financial position has remained strong since institution of statehood.

The General Fund

The Alaska General Fund receives all revenues which law does not require to be deposited in a special fund. Revenues deposited to the General Fund consist of:

Taxes, including income tax, motor fuel tax, business tax, insurance premium tax, commercial fish tax, school, cigarette and alcoholic beverage taxes.

Licenses, Fees and Permits, including various business license fees, motor vehicle licenses, hunting and fishing licenses.

Fines, Forfeitures, Court Filing and Recording Fees.

Federal Land and Resources, including the State share of moneys received by the Federal Government for exploitation of natural resources, including mineral, timber, and wildlife.

Transitional Grants, which were originally to help finance the transition from territorial status, but which have been supplemented following the 1964 earthquake.

Federal Program Augmentation Receipts, which were restricted to, and augmented, State funds for specific programs of Federal interest.

Charges and Miscellaneous Revenue, which represents investment yield, proceeds of sale and lease of State properties, and ferry system revenues.

Other-program Augmentation Receipts, which are received from sources other than Federal and augment State funds for a restricted purpose.

ALASKA STATE HOUSING AUTHORITY

INFORMATION FOR BIDDERS CONCERNING

$9,410,000 ALASKA STATE HOUSING AUTHORITY STATE LEASE REVENUE BONDS

Consisting of

$8,280,000 ALASKA STATE HOUSING AUTHORITY STATE LEASE REVENUE BONDS, 1972 CONSTRUCTION PROJECT
$1,130,000 ALASKA STATE HOUSING AUTHORITY STATE LEASE REVENUE BONDS, 1972 ACQUISITION PROJECT

Sale of the bonds hereby offered will be in all respects in accordance with the published Official Notice of Sale. Principal terms contained therein are synopsized below.

AUTHORITY FOR ISSUANCE

The proposed state lease revenue bond sale will be the seventh such conducted under the Alaska State Housing Act. The first, in the aggregate amount of $4,735,000, took place June 21, 1966. The second, in the amount of $5,020,000, occurred July 6, 1967. The third, of $4,940,000 par value, was held November 26, 1968, the fourth, of $5,750,000, on February 27, 1969, the fifth, $29,095,000, on October 7, 1970, and the sixth, $3,800,000 on August 24, 1971.

The Alaska State Housing Authority is a public corporate authority of the State of Alaska. The enabling act and specific authority for the bonds is contained in provisions of Sections 10 to 290 inclusive, of Chapter 55 of Title 18, Alaska Statutes, Section 35.04.040(9) and Section 37.05.280 of the Alaska Statutes, last amended by the 1970 Legislature.

TIME AND PLACE OF SALE

The bonds will be sold at competitive bid on January 11, 1972. Bids will be received prior to 1:00 p.m., Eastern Standard Time on that date at the offices of the Authority's Bond Counsel, Hawkins, Delafield & Wood, at 67 Wall Street, New York, N. Y. 10005. Simultaneously, the Authority's Board of Directors will convene in Alaska to take action concerning bond award. Complete details of bidding conditions are contained in the Official Notice of Sale, attached as an appendix hereto.

DESCRIPTION OF BONDS

COMBINED ISSUES

The two issues are offered as a single unit. Each bid must be for both issues. However, the interest rate patterns bid may differ between the two issues, subject to all other requirements.

DATE

Bonds of these issues will be dated January 1, 1972.

LEGAL OPINION

The approving legal opinion of Messrs. Hawkins, Delafield & Wood, of New York City, will accompany delivery of the bonds, and will be printed on the bonds.

DENOMINATION

The coupon bonds of both issues will be of $5,000 denomination.

INTEREST RATE

Interest rates must be in multiples of 1/8 or 1/20 of 1%. Each bond shall bear interest at a single fixed rate to maturity, evidenced by a single set of interest coupons. Maximum legal interest rate is 7%. The bonds will be sold at not less than par value.

INTEREST PAYABLE — PAYING AGENT

Interest will be paid semi-annually each April 1 and October 1, at the office of the Paying Agent, who will also serve as Trustee under the Trust Indenture pursuant to which the bonds will be issued. The Indenture names Bank of America N. T. & S. A. as Trustee and paying agent.

DELIVERY

It is expected that definitive bonds will be printed in time for delivery to the successful bidder on or about February 18, 1972.

NUMBERING

The bonds of each separate issue will be numbered serially in order of maturity.

REGISTRATION

All bonds will be coupon bonds registrable as to principal only, or fully registered bonds.

NATIONAL BANK INVESTMENT

Application will be made to the Comptroller of the Currency for a ruling that the bonds are eligible for dealing in, underwriting, and unlimited holding by national banks under paragraph 7 of 12 U.S.C. 24. The Comptroller has so ruled on previous similar issues of the Authority. The Trustee, Bond Counsel or Financial Advisor may be contacted for the status of the application.

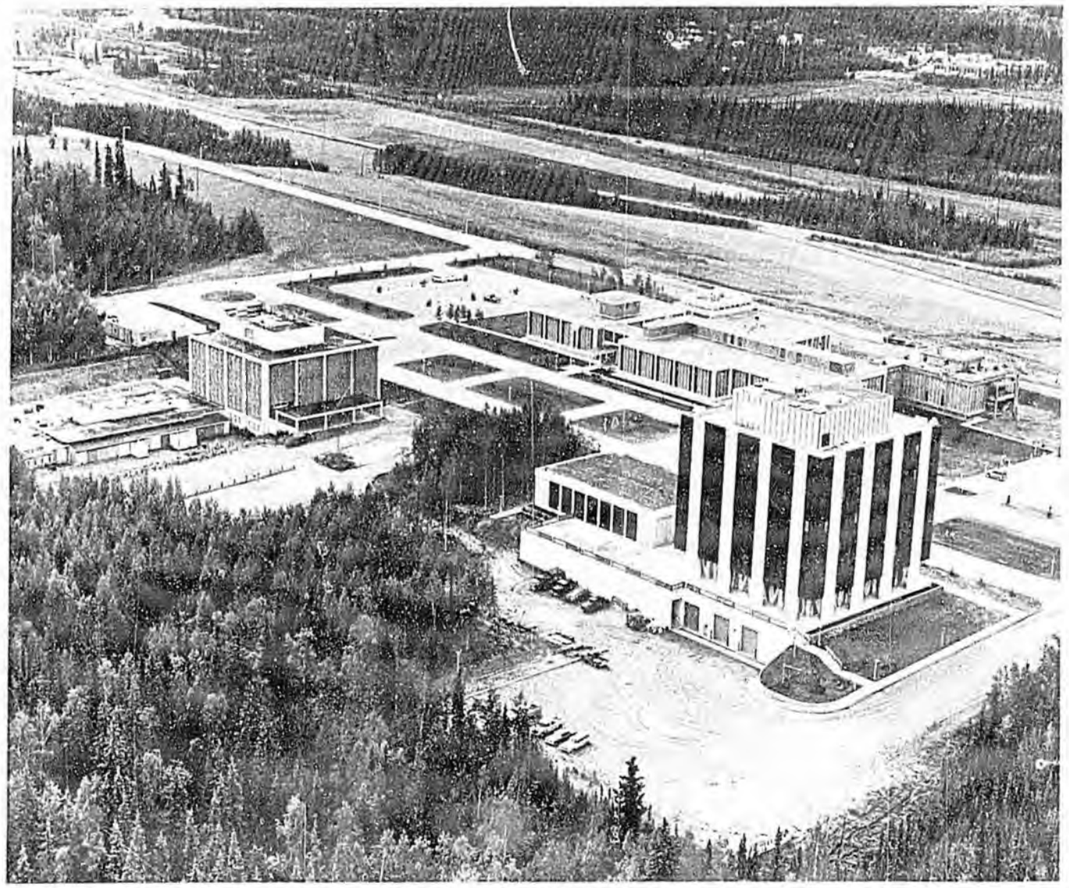
TAX EXEMPTION

In the opinion of the Bond Counsel, the interest on the bonds is exempt from income taxes of the United States of America under present Federal income tax laws and court decisions.

ADDITIONAL BONDS

No additional bonds secured by lease rentals payable on account of the Projects financed from proceeds of the bonds hereby offered may be issued.

The financing of each authorized project through state lease revenue bonds is contingent upon the execution of an agreement between the State and the Authority providing for additional rentals to be paid by the State in amounts sufficient to pay principal of and interest on said bonds. However, it is the intention of the Authority that no additional bonds secured by State leases be issued during a period of 90 calendar days following the date of sale of the bonds hereby offered.



Part of University of Alaska, Fairbanks.

General Fund expenditures in recent years have been as shown following:

GENERAL FUND STATEMENT OF ACTUAL EXPENDITURES
(Five recent fiscal years) (000 Omitted)

Purpose	1967	1968	1969	1970	1971
Highways	$ 70,812	$ 50,078	$ 58,602	$ 59,750	$ 87,435
Education	38,321	43,407	51,754	68,637	119,125
Health and Welfare	18,549	21,138	25,095	29,210	42,943
Public Works	13,165	13,753	17,340	18,800	26,046
University of Alaska	7,464	8,619	10,401	11,876	17,425
Debt Service	3,640	4,504	6,456	9,262	15,174
Revenue and Revenue Sharing	3,946	4,410	6,159	7,495	12,793
Fish and Game	4,011	4,618	5,109	5,576	6,694
Administration	2,519	3,122	3,933	4,364	5,569
Labor	2,913	3,415	3,930	5,142	6,942
Office of the Governor	2,968	3,584	3,923	4,932	6,455
Public Safety	2,753	3,360	3,680	3,963	5,783
Judiciary	2,577	2,942	3,447	3,972	5,570
Natural Resources	2,742	3,196	3,142	5,803	7,895
Law	984	1,131	1,341	1,557	2,171
Military Affairs	539	623	1,227	1,468	2,478
Economic Development	1,020	1,143	1,192	1,212	1,431
Commerce	794	967	1,191	1,412	3,606
Legislative Affairs	823	1,015	1,140	1,705	2,323
Natural Disaster Programs	1,019	5,452	842	857	400
Legislative Audit	151	135	156	196	226
Debt Cancellation and Loans	3,473	480	—	—	—
Totals	$185,283	$181,092	$210,060	$247,189	$378,484

The following tables, provided by the State of Alaska, summarize the indicated financial transactions, which are to some extent germane to the security of a State-lease secured bond issue.

OPERATING FUND CASH RECEIPTS
(Five Recent Fiscal Years) (000 Omitted)

	1967	1968	1969	1970	1971
State Resources	$ 86,859	$114,464	$115,285	$172,116	$225,796
Federal Highway Programs	56,937	34,754	40,139	39,183	61,247
Federal Education Programs — On-base schools	9,077	7,880	13,871	12,187	17,567
Other	3,349	4,590	6,675	8,781	11,041
Federal Funds — Received in and returned to State	8,430	8,269	8,611	9,129	9,737
Other Federal Receipts	2,677	9,706	8,072	9,934	11,617
Federal Health & Welfare Programs	8,138	12,838	6,097	8,099	9,054
Federal Transitional Grants	—	—	—	—	—
Totals	$175,467	$192,501	$198,750	$259,429	$346,062

COMPARATIVE ANALYSIS OF CURRENT OPERATING FUND CASH RECEIPTS
(Three Recent Fiscal Years) (000 Omitted)

	1969-1970		1971	
Classification of Revenue Source	Amount	Percent of Total	Amount	Percent of Total
State Resources	$172,116	66.4%	$225,796	65.3%
Federal Funds received in and Returned to State	9,129	3.5	9,737	2.8
Other Federal Funds — Highway	39,183	15.1	61,247	17.7
On-Base Schools	12,187	4.7	17,567	5.1
All Other	26,814	10.2	31,715	9.1
Totals	$259,429	100.0%	$346,062	100.0%
	Analysis of Selected Revenues		Analysis of Selected Revenues	
State Resources	$172,116	82.7%	$225,796	82.1%
Federal Funds Received in and Returned to State	9,129	4.4	9,737	3.5
All Other Federal Funds except Highway and On-Base School Programs	26,814	12.9	39,454	14.4
Totals	$208,059	100.0%	$275,078	100.0%

SPECIAL FUNDS

Although Federal programs and grants account for a substantial part of State of Alaska annual operating receipts and expenditures, the principal purpose of Federal contributions is for highways and on-base school support. Allocations of Federal Highway Funds are made in part on the basis of Federally-owned land within a state. Alaska receives substantial contributions from that source. More than 15% of total school enrollment in the State is attributable to military dependents.

The table below contains a record of revenues derived within the State during the past five years. State-imposed taxes have consistently provided about 50% of those revenues, while the "Miscellaneous Receipts" exceeded 21%.

ANALYSIS OF CASH RECEIPTS, IN-STATE SOURCES (000 omitted)

	Fiscal Years Ending June 30					
	1966	1967	1968	1969	1970	1971
Taxes	$45,420	$49,556	$ 52,499	$ 62,975	$ 75,930	$ 83,629
Miscellaneous Receipts	22,793	23,097	45,971	34,280	74,218	119,613
Other Receipts	4,110	4,456	5,252	7,582	9,884	9,737
Non-Business License Fees & Permits	4,491	4,451	4,741	5,196	5,803	6,175
Business License Fees & Permits	1,792	1,789	1,832	2,118	2,573	2,709
Other Program Augmentation	1,485	2,653	3,198	2,024	2,453	2,545
Alaska Court System	892	857	971	1,110	1,255	1,388
Totals	$80,983	$86,859	$114,464	$115,285	$172,116	$225,796

Totals above exclude the proceeds of more than $900,000,000 in North Slope mineral lease bonuses pursuant to 1969 competitive bid sale.

ANALYSIS OF STATE TAX RECEIPTS (000 omitted)

	Fiscal Years Ending June 30				
	1967	1968	1969	1970	1971
State Income Tax	$26,143	$26,464	$29,540	$37,755	$41,596
State Fuel Taxes	7,077	7,806	9,132	10,372	10,958
Oil and Gas Production Tax	511	1,187	4,007	5,940	9,927
Fish Taxes	3,550	2,289	2,800	2,526	3,969
Business License Tax	3,328	3,833	4,149	5,061	5,589
Alcoholic Beverage Excise Tax	3,401	3,741	3,943	4,425	4,936
Tobacco Tax	1,530	1,576	1,644	1,695	1,113
Insurance Premium Tax	1,803	1,947	2,201	2,562	3,018
Other Taxes	2,213	3,656	5,559	5,594	2,523
Total Taxes	$49,556	$52,499	$62,975	$75,930	$83,629

ANALYSIS OF MISCELLANEOUS RECEIPTS (000 omitted)

	Fiscal Years Ending June 30				
Miscellaneous Income	1967	1968	1969	1970	1971
From Mineral Resources	$13,252	$34,691	$22,248	$23,750*	$ 30,321*
From Ferry System	4,521	5,320	6,854	7,441	7,585
Use of Money and Property	3,467	2,852	3,228	40,347**	78,406**
Charges for Service, Supplies and Documents	869	1,912	1,426	1,578	2,575
Reimbursements and Recoveries	173	530	424	1,002	597
Other Revenue	58	187	54	69	90
Non-Revenue Receipts	757	479	46	31	39
Totals	$23,097	$45,971	$34,280	$74,218	$119,613

*Excludes North Slope bonus mineral lease revenue.
**Includes income on mineral lease bonus.

The 1970 and 1971 increases in income from Use of Money and Property have made this the largest single item of Miscellaneous Receipts, and larger than all other items combined. Annual variations in mineral income primarily reflect petroleum acreage offered for lease, bonuses received, and royalties and taxes collected from petroleum production. Receipts from this latter category can be expected to increase as the industry continues to expand.

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EXTENT OF ALASKA COMPARED WITH MAINLAND UNITED STATES.

GENERAL STATEMENT

The contents of this Official Statement have been assembled and prepared by Rafferty, Guerin & Co., Financial Advisor to the Authority, in cooperation with Alaska State Housing Authority and State of Alaska officials and other responsible sources. While the intent has been to provide a substantially true and correct statement, no material contained herein is guaranteed as a representation of fact.

Neither this Official Statement nor any representation heretofore made is to be construed as a contract with the purchasers of any bonds to be presently issued.

All statements contained herein are made as of the date of approval of this document, except as otherwise indicated by the text.

Approval on behalf of the Alaska State Housing Authority on December 28, 1971.

ROBERT E. BUTLER, *Executive Director-Secretary*

APPENDIX A

OFFICIAL NOTICE OF SALE

$9,410,000

Alaska State Housing Authority State Lease Revenue Bonds (1972 Projects)

Notice is hereby given that sealed proposals will be received at the offices of Hawkins, Delafield & Wood, 67 Wall Street, New York, New York 10005 until 1:00 P.M. (E.S.T.) on January 11, 1972, at which time all such proposals will be publicly opened and announced for the purchase of all (but not less than all) of an issue of $9,410,000 Alaska State Housing Authority State Lease Revenue Bonds (1972 Projects) (the "Bonds") consisting of $8,280,000 Alaska State Housing Authority State Lease Revenue Bonds (1972 Construction Project) (the "Construction Bonds") and $1,130,000 Alaska State Housing Authority State Lease Revenue Bonds (1972 Acquisition Project) (the "Acquisition Bonds") pursuant to the Terms of Sale hereinafter set forth.

The Construction Bonds will mature on October 1 in the years and principal amounts as set forth below:

Year	Principal Amount	Year	Principal Amount
1975	$250,000	1984	$450,000
1976	265,000	1985	480,000
1977	285,000	1986	510,000
1978	305,000	1987	545,000
1979	325,000	1988	580,000
1980	350,000	1989	620,000
1981	375,000	1990	660,000
1982	400,000	1991	705,000
1983	425,000	1992	750,000

The Acquisition Bonds will mature on October 1 in the years and principal amounts as set forth below:

Year	Principal Amount	Year	Principal Amount
1973	$25,000	1983	$55,000
1974	30,000	1984	60,000
1975	30,000	1985	65,000
1976	35,000	1986	65,000
1977	40,000	1987	70,000
1978	40,000	1988	75,000
1979	45,000	1989	80,000
1980	45,000	1990	85,000
1981	50,000	1991	90,000
1982	50,000	1992	95,000

The Bonds maturing on and after October 1, 1984 will be subject to redemption as a whole at the election of the Authority on any interest payment date on and after October 1, 1983 at a redemption price equal to the principal amount of each Bonds to be redeemed, plus a redemption premium of ¼ of 1% of such principal amount for each year or portion thereof remaining to the maturity of each Bond to be redeemed.

The Bonds will be dated January 1, 1972 and will bear interest at the rate or rates per annum specified by the successful bidder therefor in accordance herewith payable on April 1 and October 1 in each year, will be issued in bearer form in the denomination of $5,000 with a single coupon attached for each installment of interest thereon or in fully registered form in the denomination of $5,000 or any integral multiple thereof.

The holders of Bonds will have the registration, conversion and exchange privileges set forth in the Trust Indenture dated as of January 1, 1972, to be entered into between the Authority and Bank of America National Trust and Savings Association, as Trustee hereinafter mentioned, which sets forth the security for the Bonds. The Bonds will be payable in lawful money of the United States of America at the principal office of Bank of America National Trust and Savings Association, San Francisco, California.

Each proposal must be for all the Bonds.

Each proposal must state the amount bid for the Bonds (not less than their principal amount) and must state in a multiple of ⅛ or 1/20 of 1%, the rate or rates of interest, not exceeding 7% per annum, which the Bonds are to bear, but shall not state (a) more than one interest rate for any Construction Bond having like maturity or for any Acquisition Bond having like maturity, or (b) any interest rate for any Construction Bond or any interest rate for any Acquisition Bond which exceeds the interest rate specified in such proposal for any other Construction Bond or Acquisition Bond, respectively, by more than 1½%, or (c) more than six different interest rates for the Bonds. The repetition of an interest rate will not be considered an additional rate of interest within the limitation of six permitted interest rates which may be stated. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued from the date thereof to the date of delivery.

The Bonds will be awarded to the bidder (the "successful bidder") whose proposal offers to purchase the Bonds at the lowest interest cost. The lowest interest cost will be determined by computing the total amount of interest payable on the Bonds at the rate or rates stated in each proposal from their date until their respective maturities and deducting therefrom the sum (if any) by which the amount bid for the Bonds in such proposal exceeds the principal amount of the Bonds bid for and, if there be more than one said proposal making said offer at the said same lowest interest cost, the Bonds bid for will be sold to the bidder whose proposal is selected by lot from among all such proposals making said offer at said lowest interest cost. All proposals must be enclosed in sealed envelopes and addressed to "Alaska State Housing Authority, c/o Hawkins, Delafield & Wood, 67 Wall Street, New York, New York 10005" and marked "Proposal for Bonds." As a condition precedent to the consideration of his proposal, each bidder must enclose with it, as a good faith deposit, a certified or cashier's check drawn upon a solvent bank or trust company, payable to the order of the Alaska State Housing Authority in an amount not less than $94,100. The check of the successful bidder will be retained to be applied in part payment for the Bonds pur-

chased or to secure the Authority from any loss resulting from the failure of the bidder to comply with the terms of his bid. No interest shall be allowed on the amount of any good faith deposit. Bids will be accepted or rejected promptly after opening and not later than 12 Noon E.S.T. on January 12, 1972, by telegram of the Alaska State Housing Authority, members of which will be assembled in meeting from 1 P.M. E.S.T. on January 11, 1972 at Anchorage, or Juneau, Alaska, until the time of such acceptance or rejection.

The right is reserved to reject all proposals and to reject any proposal not complying with the terms of this notice and, so far as is permitted by law, to waive any irregularity or informality with respect to any proposal.

The successful bidder may at his option refuse to accept the Bonds if prior to their delivery any income tax law of the United States of America shall provide that the interest thereon is taxable, or shall be taxable at a future date, for federal income tax purposes, and in such case the deposit made by him will be returned and he will be relieved of his contractual obligations arising from the acceptance of his proposal.

The obligations to deliver or accept the Bonds purchased pursuant hereto are subject to the conditions that the Bonds purchased shall be delivered in definitive form in accordance herewith on or before March 1, 1972, and that the successful bidder at the time of such delivery be furnished, without cost, with (a) the approving opinion of the law firm of Hawkins, Delafield & Wood, New York, New York and (b) certificates in forms satisfactory to said firm evidencing the proper execution and delivery of the Bonds purchased and receipt of payment therefor including a statement dated as of the date of such delivery to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened affecting the validity of the Bonds purchased.

It is expected that the Bonds in definitive form will be ready for delivery in San Francisco, California against payment in San Francisco funds on or about February 18, 1972.

The Authority does not expect to offer any further State Lease Revenue Bonds for sale within 90 days from January 11, 1972, except with the consent of the successful bidder.

Any person interested in bidding for the Bonds will be furnished upon request of the Authority's financial advisor, Rafferty, Guerin & Co., P. O. Box 8727, San Francisco International Airport, California 94128, telephone (415) 457-1166 or (415) 369-8122, or of the Authority's bond counsel, Hawkins, Delafield & Wood, 67 Wall Street, New York, N. Y. 10005, telephone (212) 422-5140, with copies of the Official Statement of the Authority which contains this Official Notice of Sale and will be furnished with the advance opinion of Hawkins, Delafield & Wood with respect to the Bonds and the form of lease agreements entered into or to be entered into between the State of Alaska and the Authority with respect to the Bonds. There are also available, in limited supply, copies, in preliminary form of the Trust Indenture, to be entered into between the Authority and Bank of America National Trust and Savings Association, as Trustee, respecting the Bonds, which will be furnished upon request.

ALASKA STATE HOUSING AUTHORITY

By

Robert E. Butler
Executive Director

DATED: December 28, 1971

WILLIAM A. EGAN
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

To Prospective Bidders and Investors:

A great need is indicated in Alaska for improved facilities to house a Judicial System which has expanded and will continue to expand as the State continues its development.

The Alaska State Housing Authority has successfully placed its Bonds to finance new court facilities in the City of Anchorage. It now proposes a similar offering to acquire land and finance construction of a new Court Building and attendant facilities in the Capital City of Juneau.

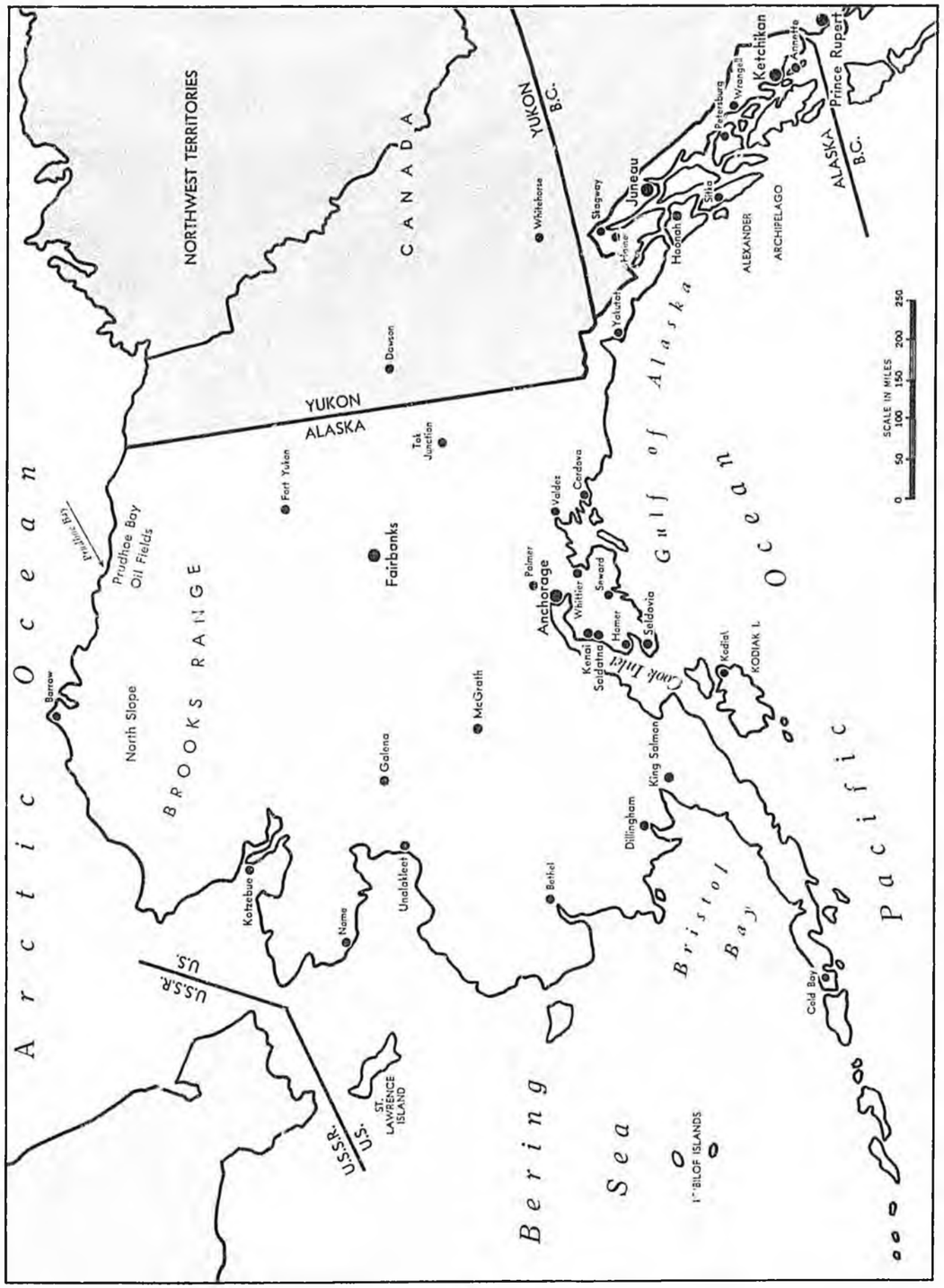
The Alaska State Housing Authority's record of performance in completion of such projects has been amply demonstrated by the success of a series of similar bond issues since 1966. All construction projects have been amply financed and were completed on schedule.

Every effort has been made in connection with the bond offering to present a comprehensive picture of the Alaska State Housing Authority and of the State of Alaska--its financial, economic, and governmental affairs. For additional information, please contact my office, the Alaska State Housing Authority, or Rafferty, Guerin & Company, the financial advisor for this offering.

Sincerely,

William A. Egan

William A. Egan
Governor



APPENDIX B

Proposals should be submitted in this form, although any form of proposal complying with the terms of the Official Notice of Sale may be submitted.

PROPOSAL FOR BONDS

Alaska State Housing Authority
in care of Hawkins, Delafield & Wood
67 Wall Street
New York, N. Y. 10005

January 11, 1972

Gentlemen:

Subject to the provisions and in accordance with the terms of the Official Notice of Sale dated December 28, 1971, as published in The Daily Bond Buyer, which is hereby made a part of this proposal, we hereby offer to purchase the following $9,410,000 Alaska State Housing Authority State Lease Revenue Bonds (1972 Projects) (the "Bonds") described in said Official Notice of Sale provided that the Alaska State Housing Authority State Lease Revenue Bonds (1972 Construction Project) (the "Construction Bonds") maturing in the years set forth below shall bear interest from their date until maturity at the respective rates per annum stated in the following table:

Year of Maturity	Interest Rate	Year of Maturity	Interest Rate	Year of Maturity	Interest Rate
1975	%	1981	%	1987	%
1976		1982		1988	
1977		1983		1989	
1978		1984		1990	
1979		1985		1991	
1980		1986		1992	

and that the Alaska State Housing Authority State Lease Revenue Bonds (1972 Acquisition Project) (the "Acquisition Bonds") maturing in the years set forth below shall bear interest from their date until maturity at the respective rates per annum stated in the following table:

Year of Maturity	Interest Rate	Year of Maturity	Interest Rate	Year of Maturity	Interest Rate
1973	%	1980	%	1987	%
1974		1981		1988	
1975		1982		1989	
1976		1983		1990	
1977		1984		1991	
1978		1985		1992	
1979		1986			

We offer to pay the price of $8,280,000 plus $..... for the Construction Bonds and to pay the price of $1,130,000 plus $..... for the Acquisition Bonds plus the interest accrued on the Bonds to the date of their delivery.

We enclose herewith certified or cashier's check, drawn upon a solvent bank or trust company, payable to the order of "Alaska State Housing Authority" in the amount of $94,100 as the good faith deposit mentioned in said Official Notice of Sale, which check is to be retained or applied as provided in said Official Notice of Sale.

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Return to the above-named bidder of the check mentioned in the above proposal is hereby acknowledged.

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Accepted January , 1972

[Copy of Telegraphic Acceptance to be attached here]

The following is our computation, made as provided in the above-mentioned Official Notice of Sale but not constituting any part of the foregoing proposal, of the interest cost on the $9,410,000 Bonds under the foregoing proposal:

Gross Interest	$.....
Less Premium Bid Over Par	.....
Interest Cost	$.....
Per Cent Interest Cost	..... % (four decimals)