

ALASKA LEGISLATURE COMMITTEES 1903-1904

3171

HT

HB

543

-

HB

661

3171

1 manager; assistant to the general manager; chief of administration; and  
2 chief counsel.

3 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
4 10.070(c).  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 26, 1984

The Honorable Joe Hayes  
Alaska State House of Representatives  
Pouch V  
Juneau, AK 99811

Dear Representative Hayes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that will authorize the state to acquire the Alaska Railroad. The bill is required so that the certification process mandated by the Alaska Railroad Transfer Act (ARTA; P.L. 97-468) can be effected. Once this certification process is completed, acquisition of the railroad can occur as soon as practicable.

The bill essentially says that the state agrees to meet the transfer conditions set out in the Transfer Act. A more detailed analysis of the bill follows:

Section 1 says that the state agrees to the transfer conditions set out in the Alaska Railroad Transfer Act. Specifically, these points of agreement are as follows:

- 1) The state agrees to acquire all the rail property of the railroad.
- 2) The state agrees to operate the railroad as a rail carrier in intrastate and interstate commerce.
- 3) The state agrees to assume all rights, liabilities, and obligations of the railroad that exist on the date of transfer.
- 4) The state agrees to protect the employment interests of the railroad employees as required by sec. 604(d)(3)(A)(i) -- (vii) and sec. 607 of ARTA.

- 5) The state agrees to protect the employment interests of the officers of the railroad as required by sec. 604(d)(3)(E) of ARTA.
- 6) The state agrees to allow the Secretary of Transportation access to employees and records of the Alaska Railroad.
- 7) The state agrees to compensate the United States at the appraisal value that was determined by the United States Railway Association.

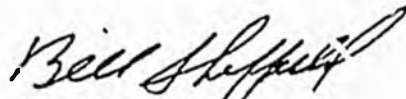
Section 2 authorizes the governor to enter into the various transfer agreements that relate to the points listed above and that will be required in order to secure certification of compliance with the Transfer Act and thus to secure the transfer of the railroad.

Section 3 defines certain terms used in the bill.

Section 4 provides for an immediate effective date.

I urge your favorable action on this bill as soon as possible so that the transfer of the ownership of the Alaska Railroad to the state can become a reality.

Sincerely,



Bill Sheffield  
Governor

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: 1/19/84

Page 1 of 2

REQUEST  
Bill/Resolution No.: HB 543  
Title: Alaska Railroad Acquisition Act

FISCAL DETAIL  
Agency Affected: N/A  
Program Category Affected: N/A

Sponsor: \_\_\_\_\_  
Requestor: Rules, by request of Governor  
Date of Request: 1/18/84

GRU, Program or Subprogram(s) Affected: \_\_\_\_\_  
N/A

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING *						
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	22,271.0	-0-	-0-	-0-	-0-
REVENUE *	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	22,271.0	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	22,271.0	-0-	-0-	-0-	-0-

POSITIONS: \*

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL: GENERAL FUND

\*This fiscal note only covers the actual purchase price. Specific estimates for these other needs will be presented in subsequent fiscal notes relating to proposed operating entity legislation.

ANALYSIS: Attach a separate page for analysis

Prepared By: Mark S. Hickey, State Railroad Coordinator Phone: 465-3900  
Division: Alaska Railroad Transfer Team Date: 1/19/84

Approved by Commissioner: H. Glenzer, Jr. Date: 1/19/84  
Agency: Dept. of Transportation & Public Facilities

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

If the State elects to acquire the Alaska Railroad in accordance with the Alaska Railroad Transfer Act of 1982, it must compensate the United States for its fair market value. The Alaska Railroad Transfer Team has determined the valuation of \$22,271,000 performed by the United States Railway Association should be accepted as reasonable.

In addition to the purchase price, the Transfer Team has identified the total liability to the State associated with acquisition of the railroad. Although there are a few unknowns still under investigation, we have determined that under a low-end or "best case" scenario, that approximately \$23.5 million will be needed for additional "start-up costs" to cover the first years of operations. Under a high end or "worst case" scenario, the additional financial exposure to the State from ensuring continued rail operations for the next ten years may run as high as \$47.9 million (in 1983 dollars).

The railroad is an important link in Alaska's transportation network, particularly for the surface movement of bulk commodities. Abandonment of rail service would, at the very least, result in costly impacts to the State's highway system.

The federal government has the authority to dispose of the railroad, and appears committed to doing so. There is no guarantee that service will be continued under another disposition. Nor is there any current evidence of a private sector interest willing to step in and guarantee continued rail services.

Acquisition ensures continuation of essential rail services, gives the State control over the railroad's operations, and preserves all future options regarding its final disposition. It also offers the State an opportunity to restructure the existing organization to obtain greater efficiencies and make the railroad more responsive to our goals.

For these reasons, the Sherrin Administration has accepted the recommendation of the Transfer Team that the State should proceed with acquisition of the Alaska Railroad. Furthermore, additional discussion with the federal government over compensation terms has led to the conclusion to seek a direct cash acquisition versus more complicated land trades or financing packages.

HB

601

FEB 27 1984



Official Business

# Alaska State Legislature

## House of Representatives

Pouch V  
State Capitol  
Juneau, Alaska 99811

### MEMORANDUM

TO: Representative Bette Cato, Chair  
House Transportation Committee

FROM: Representative Jim Duncan

DATE: February 23, 1984

RE: Ridesharing Program

I am writing this memo to urge you to schedule House Bill 601 for a hearing in your committee as soon as possible.

House Bill 601 represents the enabling legislation to allow Juneau to embark on a model ridesharing program, which, if successful, could be emulated in other Alaskan communities.

Informal ridesharing is currently occurring in Juneau to some extent; however for the impact to be seen in parking availability, much more needs to be done.

House Bill 601 is the first step in that direction. It would allow the State to purchase vans for van-pooling use. Van-pooling is a federally recognized program eligible for 100% federal funding if properly implemented. It would also allow ridesharing in state owned sedans.

Jeanne Erskine, a local ridesharing consultant has submitted a study which proposes purchase of several vans, enlisting and retaining reliable driver-coordinators and levying of user fees (ranging from \$33 to \$48 per month) appropriate to the actual cost incurred for each van pool. Each van would carry 9-11 passengers and be provided a reserved parking space in the State parking garage.

Experience has shown that in order to obtain maximum participation there must be a strong commitment by management to the program.

Page 2  
Bette Cato Ridesharing

Representative Mike Miller has requested that DOT/PF perform a cost/benefit analysis to determine feasibility of the program.

I have asked Representative Bob Bettisworth to consider inserting \$25,000 in DOA's budget to plan and implement the program.

This program has the potential for great success at small cost to the State. I would appreciate your personal attention to this matter.

H B

622

Introduced: 2/13/84  
Referred: Transportation and  
Finance

Funding Information  
General Fund \$1,049,100  
Other Funds -0-  
\$1,049,100

1 IN THE HOUSE

BY DAVIS AND KOPONEN

2

HOUSE BILL NO. 622

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-  
7 ment of Transportation and Public Facilities for  
8 access road, signing, and illumination improvements  
9 for public schools in the Fairbanks North Star  
10 Borough; and providing for an effective date."

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

12 \* Section 1. The sum of \$1,049,100 is appropriated from the general  
13 fund to the Department of Transportation and Public Facilities for access  
14 road, signing, and illumination improvements for the following public  
15 schools in the Fairbanks North Star Borough in the amounts listed:

16	{	Badger Road Elementary School	\$ 15,000
17	v	Hutchison Career Center	3,100
18	3	New North Pole High School	600,000
19	∩	Pearl Creek Elementary School	160,000
20	∧	Two Rivers Elementary School	125,000
21		Weller Elementary School	111,000
22	∩	West Valley High School	35,000

23 \* Sec. 2. The appropriation made by this Act is for capital projects  
24 and is subject to AS 37.25.020.

25 \* Sec. 3. This Act takes effect July 1, 1984.

To: ALL members of House

TRANSPORTATION

TELECOPY COVER SHEET  
FAIRBANKS INFORMATION OFFICE

Cato

Senator Moss

TO: JNU ~~FROM:~~ \_\_\_\_\_ PHONE: \_\_\_\_\_

FROM: MARGARET BASEOM \_\_\_\_\_ PHONE: 488-1932

ADDITIONAL INSTRUCTIONS: Testimony for meeting at  
8:30 AM. Tuesday 4/17/84

DATE/TIME SENT: 4/16/84 3:20 SENT BY: Annie

PLEASE ACK. RECEIPT:  HOLD FOR PICK-UP: \_\_\_\_\_

NUMBER OF PAGES 1 (NOT COUNTING COVER SHEET)

Please deliver before meeting

April 16, 1984

House Transportation Committee  
Pouch V  
Juneau, Alaska 99811  
*C. C. O. Senator Moore.*

Department of Transportation  
State of Alaska

In consideration of House Bill 622. We the members of House District 18, wish to express the urgent need for a consideration of this appropriation to improve the roads and signs involving public access as well as school access to the Richardson Highway portion of our district.

It is imminent that a more adequate caution be placed at the crossing of Badger Road and Richardson Highway near Market Basket.

It behooves us to make you aware that we have had more than five fatalities at this intersection.

The hazards of our students embarking on or from school buses is enough to make any parent have grey hairs.

You would have our undying gratitude to assist us in making this appropriation in House Bill 622 become a reality.

Sincerely,

Frank Belts

Connie Watson

Scott Matthews

Jayle Pierce

Arthur Medley

Margaret Bascom

Thomas Strickland

Don Bascom

Jean Coston

Bill Lewis

Freda Russell

Jewell B. Smith

*P.O. Box 73238*

*Juneau, Alaska 99707*

*Margaret Bascom*

*488-1932*



# Alaska State Legislature

Representative Mike Davis

Pouch V  
Juneau, Alaska 99811  
(907) 465-4930/4941

Interim Office:  
P.O. Box 81435  
Fairbanks, Alaska 99708

## MEMORANDUM

To: Rep. Cato  
From: Rep. Davis  
Date: March 29, 1984  
Re: HB 622

Dear Rep. Cato,

Enclosed is the back-up material for HB 622, which is scheduled to be heard in House Transportation on April 4.

Sincerely,

A handwritten signature in dark ink, appearing to read "J. L. Sperber".

Jonathan Sperber  
Admin. Asst. to Rep. Davis

# STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

DIVISION OF PLANNING AND PROGRAMMING, INTERIOR REGION

Bill Sheffield, Governor

University Plaza - West, Suite D  
200 University Avenue  
Fairbanks, Alaska 99701  
(907) 479-4281

January 30, 1984

Re: School Access Improvements

The Honorable Mike Davis  
Alaska State House  
Pouch V  
Juneau, AK 99811

Dear Representative Davis:

Enclosed as requested of Mim Dixon is information on School Access Improvements in the Fairbanks North Star Borough area. The cost estimates given are as telephoned to you earlier.

The School District has identified several schools with road access problems. Most of the problems can be corrected by improved visibility of the roads to the schools and/or advance signing and illumination. The School District's top priority for improvements is the access to the new North Pole High School. Following is an explanation of the problems at each site and the costs for those improvements.

## 1. West Valley High

The principal access, which serves the student parking lot, is Geist Road, with a secondary access on Noatak Drive serving the faculty lot. These two access points are not connected. Since the student parking lot is off Geist, there tends to be significant delay in the morning and at noon for traffic attempting to leave the school grounds. School officials are concerned the students are taking too many chances trying to get in and out, especially during the short lunch period. In an attempt to correct this, the School District is studying the possibility of eliminating or making Geist a one-way entrance and connecting the parking lots to Noatak to make it the primary access. This would put existing traffic on a lower volume road that is then controlled by a traffic actuated signal at Geist Road. Les Riedlinger of the Fairbanks North Star Borough School District presented the District's Plans at the January 16 meeting of the West Valley Parent Advisory Committee.

The school district would like State assistance to complete the lot connection, provide advance signing advising of the turnoff, and illuminate the intersection at Geist to increase visibility.

Continuous illumination has been in place on Geist Road since it was widened. There is already one luminaire at the throat of the intersection which was installed by the school.

West Valley is well off the roadway and hidden from view, making the guide signs suitable. The total estimated cost is \$35,000 (1985 dollars) broken out as follows:

Advance signing and illumination:	
Preliminary Engineering	\$ 2,500
Construction (including 15% construction engineering)	<u>10,250</u>
	SUBTOTAL \$ 12,750
Supplement to connect the two parking lots	<u>22,250</u>
	TOTAL \$ 35,000

## 2. Hutchison

Two entrances to Hutchison Career Center near West Valley are from Geist Road. It does not have the problems that West Valley has but the school district feels advance signing is needed.

The estimated cost of advance signing is \$3,100 (1985 dollars) broken out as follows:

Preliminary Engineering	\$ 550
Construction (including 15% construction engineering)	<u>2,550</u>
	TOTAL \$ 3,100

## 3. New North Pole High School

The entrance to the new school is planned to be the Old Richardson at Eighth Avenue. The intersection is at a right angle onto a very narrow 8th Avenue, making turns from one direction difficult and, for school buses, nearly impossible. The school district would like to see a turn lane with a flashing light and illumination. The cost estimate includes the illumination, flashing warning lights, a center left turn lane, and a right turn lane.

The total estimated cost is \$600,000 broken out as follows:

Preliminary Engineering	\$ 36,750
Right-of-Way	1,250
Construction (including 12% construction engineering)	<u>562,000</u>
	TOTAL \$600,000

4. Pearl Creek

The entrance to Pearl Creek Elementary School is off Auburn Drive, which is on the State system. A line item appropriation of \$225,000 from Chapter 10, SLA 83 was made for the Auburn Student Access project to provide a bike/pedestrian path along Auburn Drive from Farmers Loop to Herried Drive. The School District would like a separated footpath the entire distance. Because of existing property development immediately adjacent to the right of way, the first half of the project consists of a ten foot shoulder.

The second (northern) half could be a separated facility. The cost for the separated facility is estimated at \$120,000 (1985 dollars), broken out as follows:

Preliminary Engineering	\$ 10,000
Construction (including 12% construction engineering)	<u>110,000</u>
SUBTOTAL	\$120,000

The necessary property is owned by the School District, so there should be no right-of-way costs.

In addition, the School District feels advance signing and illumination are needed.

Illumination includes extending the parking lot lighting circuit to Auburn and one luminaire. The cost of operating and maintaining this light should be borne by the school. The estimated cost for advance signing and illumination (in 1985 dollars) is \$40,000 broken out as follows:

Preliminary Engineering	\$ 4,000
Construction (including 15% construction engineering)	<u>\$ 36,000</u>
SUBTOTAL	\$ 40,000

Pearl Creek TOTAL	<u>\$160,000</u>
-------------------	------------------

5. Weller

The entrance to Weller Elementary School is at approximately 1 mile Chena Hot Springs Road. The intersection is at the top of a rise in the road, which limits visibility. A new turn lane (eastbound), signing and flashing lights are to be installed as part of the \$180,000 project funded in FY84. The School District has also suggested a westbound turn lane at the intersection. The estimated cost of this turn lane (1985 dollars) is \$111,000 broken out as follows:

Preliminary Engineering	\$ 9,000
Construction (including 15% construction engineering)	<u>\$102,000</u>
TOTAL	\$111,000

6. Two Rivers

The Two Rivers Elementary School is on Taurus Road, off 18.5 Mile Chena Hot Springs Road. The School District is proposing a chip seal at a cost of \$125,000 for Taurus Road this year. In addition, they would like the State to provide illumination and advance signing.

Advance intersection warning signs with street name plaques and one luminaire have recently been installed by the State.

7. Salcha

With access at 38 Mile Richardson, the Salcha School is located on a slight rise and curve. The School District feels larger signs and illumination are needed. Standard school advance signs and one luminaire have been in place for many years. Although, larger signs are usually warranted only on expressways and freeways, we are looking into the possibility of a change in standards or else an exception for Salcha.

8. Badger Road

The access for Badger Road Elementary is either Bradway Road or Woll Road. The School District has suggested several improvements:

Badger/Bradway Intersection - school zone signs (minimum), time controlled flashing caution lights (maximum). If warranted, this could be incorporated in the proposed Badger Road reconstruction project. Funding for \$933,700 for the right of way and utilities phase of the project is included in the Department's FY85 capital budget request.

Bradway - illumination and a flashing yellow light

The school signs have already been installed by the State. The following estimate is for the cost of extending the lighting system to include one additional luminaire at the main driveway. Maintenance and operation cost of this luminaire should be borne by the school. The estimated cost of illumination is \$15,000 (1985 dollars), broken out as follows:

Preliminary Engineering	\$ 2,500
Construction (including 15% construction engineering)	<u>12,500</u>
TOTAL	\$ 15,000

9. Tanana Junior High

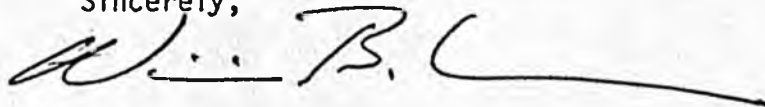
Tanana is located off Trainor Gate Road and F Street. Some minor improvements the School District would like are a flood light and a permanent land bridge (driveway) to F Street.

January 30, 1984

Two newly constructed illumination systems, one at Trainor Gate Road and F Street, and one on F Street itself do give illumination for the school driveway. One luminaire is already centered on the driveway. The State designer of the intersection illumination and the City Engineer's office in charge of the newly constructed luminaires on F Street concur with each other that additional illumination is not needed. We will get back with the School District to try to resolve this.

An apparent problem in addressing school safety is that the Alaska Traffic Manual makes no specific provisions for these concerns and the DOT&P is required to adhere to the Manual. Advance signing is normally installed only in rural areas where the school is some way off the main road. Flashing warning lights are generally installed only where there is an identified problem. We are looking internally into the advisability of either changing the manual or allowing more flexibility to make exceptions.

Sincerely,



William B. McMullen  
Acting Deputy Commissioner

CF:lf  
Attachment

cc: E. Cronick, Special Assistant, Statewide Programs  
R. Gillespie, Legislative Assistant, Office of the Governor  
J. Wagner, Planning, Northern Region

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: H.B. 622  
 Title: Spec. Appro. to DOT/PF for  
Access Rd., Signs & Illum. for Schools  
 Sponsor: Reps. Davis & Koponen  
 Requestor: Rhonda Carghill  
 Date of Request: 3/29/84

II. FISCAL DETAIL

Agency Affected: DOT&PF  
 Program Category Affected: Design &  
Construction  
 BRU, Program of Subprogram(s) Affected: Northern Region

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL OPERATING</b>						
<b>CAPITAL</b>		1,049.1				
<b>REVENUE</b>						

FUNDING: (Thousands of Dollars)

GENERAL FUND		1,049.1				
FEDERAL FUNDS						
OTHER (Specify Source)						
<b>TOTAL</b>		1,049.1				

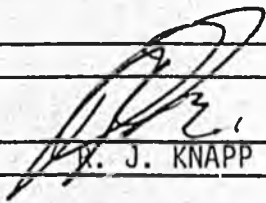
POSITIONS:

FULL TIME		-0-				
PART TIME		-0-				
TEMPORARY		-0-				
<b>TOTAL</b>		-0-				

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for any Analysis

Prepared by: D. Truax Phone: 479-4281  
 Division: Planning Date: 4/2/84

Approved by Commissioner:  Date: 4-3-84  
 Department: DOT&PF

Distribution:

Original to Legislative Finance  
 copy to Office Management and Budget (for Legislature introduced bills)  
 copy to Department (for Governor introduced bills)  
 copy to Sponsor

ASSUMPTIONS

The School District has identified several schools with road access problems. Most of the problems can be corrected by improved visibility of the roads to the schools and/or advance signing and illumination. The School District's top priority for improvements is the access to the new North Pole High School. Followig is an explanation of the problems at each site and the costs for those improvements.

1. West Valley High School

The principal access, which serves the student parking lot, is Geist Road, with a secondary access on Noatak Drive serving the faculty lot. These two access points are not connected. Since the student parking lot is off Geist, there tends to be significant delay in the morning and at noon for traffic attempting to leave the school grounds. School officials are concerned the students are taking too many chances trying to get in and out, especially during the short lunch period. In an attempt to correct this, the School District is studying the possibility of eliminating or making Geist a one-way entrance and connecting the parking lots to Noatak to make it the primary access. This would put existing traffic on a lower volume road that is then controlled by a traffic actuated signal at Geist Road. Les Riedlinger of the Fairbanks North Star Borough School District presented the District's Plans at the January 16 meeting of the West Valley Parent Advisory Committee.

The school district would like State assistance to complete the lot connection, provide advance signing advising of the turnoff, and illuminate the intersection at Geist to increase visibility.

Continuous illumination has been in place on Geist Road since it was widened. There is already one luminaire at the throat of the intersection which was installed by the school.

West Valley is well off the roadway and hidden from view, making the guide signs suitable.

2. Hutchison

Two entrances to Hutchison Career Center near West Valley are from Geist Road. It does not have the problems that West Valley has but the school district feels advance signing is needed.

3. North Pole High School

The entrance to the new school is planned to be the Old Richardson at Eighth Avenue. The intersection is at a right angle onto a very narrow 8th Avenue, making turns from one direction difficult and, for school buses, nearly impossible. The school district would like to see a turn lane with a flashing light and illumination. The cost estimate includes illumination, flashing warning lights, a center left turn lane, and a right turn lane.

4. Pearl Creek

The entrance to Pearl Creek Elementary School is off Auburn Drive, which is on the State system. A line item appropriation of \$225,000 from Chapter 10, SLA 83 was made for the Auburn Study Access project to provide a bike/pedestrian path along Auburn Drive from Farmers Loop to Herried Drive. The School District would like a separated footpath the entire distance. Because of existing property development immediately adjacent to the right of way, the first half of the project consists of a ten foot shoulder.

The second (northern) half could be a separated facility.

The necessary property is owned by the School District, so there should be no right of way costs.

In addition, the School District feels advance signing and illumination are needed.

Illumination includes extending the parking lot lighting circuit to Auburn and one luminaire. The cost of operating and maintaining this light should be borne by the school.

5. Weller

The entrance to Weller Elementary School is approximately 1 mile Chena Hot Springs Road. The intersection is at the top of a rise in the road, which limits visibility. A new turn lane (eastbound), signing and flashing lights are to be installed as part of the \$180,000 project funded in FY84. The School District has also suggested a westbound turn lane at the intersection.

6. Two Rivers

The Two Rivers Elementary School is on Taurus Road, off 18.5 Mile Chena Hot Springs Road. The School District is proposing a chip seal at a cost of \$125,000 for Taurus Road this year. In addition, they would like the State to provide illumination and advance signing.

Advance intersection warning signs with street name plaques and one luminaire have recently been installed by the State.

7. Badger Road

The access for Badger Road Elementary is either Bradway Road or Woll Road. The School District has suggested several improvements:

Badger/Bradway intersection - school zone signs (minimum), time controlled flashing caution lights (maximum). If warranted, this could

be incorporated in the proposed Badger Road reconstruction project. Funding for \$933,700 for the right of way and utilities phase of the project is included in the Department's FY85 capital budget request.

Bradway - illumination and a flashing yellow light.

H.B. 622 (cont'd)

The school signs have already been installed by the State. Maintenance and operation costs of this luminaire should be borne by the school.

PROGRAM SUMMARY

Positions: No new positions would be created.

Other Expenditures:

West Valley

Advance signing and illumination:	
Preliminary Engineering	\$ 2,500
Construction (including 15% construction engineering)	<u>10,250</u>
	SUBTOTAL
	\$ 12,750
Supplement to connect the two parking lots	<u>22,250</u>
	TOTAL
	\$ 35,000

Hutchison

Preliminary Engineering	\$ 550
Construction (including 15% construction engineering)	<u>2,550</u>
	TOTAL
	\$ 3,100

NEW NORTH POLE HIGH SCHOOL

The total cost estimated is \$600,00 broken out as follows:

Preliminary Engineering	\$ 36,750
Right of way	1,250
Construction (including 12% construction engineering)	<u>562,000</u>
	TOTAL
	\$600,000

PEARL CREEK (Northern Half)

Preliminary Engineering	\$ 10,000
Construction (including 12% construction engineering)	<u>110,000</u>
	SUBTOTAL
	\$120,000

PEARL CREEK (Signing & Illumination)

Preliminary Engineering	\$ 4,000
Construction (including 15% construction engineering)	<u>36,000</u>
	SUBTOTAL
	\$ 40,000

PEARL CREEK TOTAL ===== \$160,000

Weller

Preliminary Engineering	\$ 9,000
Construction (including 15% construction engineering)	<u>102,000</u>
TOTAL	\$ 111,000

Badger Road

Preliminary Engineering	\$ 2,500
Construction (including 15% construction engineering)	<u>12,500</u>
TOTAL	\$ 15,000

FUNDING: Estimates were provided by the Division of Highways, Design, Northern Region, DOT&PF, based on past experience with similar projects.

SECTION COST ANALYSIS: See detailed project estimates under "other expenditures".

COMPUTATIONS: See project cost estimates under "other expenditures".

ECONOMIC IMPACT: These projects would not impact the State's economy.


IMPACT ON LOCAL GOVERNMENT: Although the school district would be responsible for maintenance and operations on some of these projects, cost would be minor, therefore it is felt that there would be no impact.



Dept. of Transportation & Public Facilities

# *Position Paper*

**BILL NO:** HB 622

**APPROVED:**  R. J. Knapp  
Commissioner

**TITLE:** An Act making a special appropriation to the DOT&PF for access road, signing, and illumination improvements for public schools on the Fairbanks North Star Borough

---

**DATE:** April 2, 1984

State DOT&PF recognizes that safety for school children going to and coming from school is of the highest priority. The School District has identified several schools with road access problems. Most of the problems can be corrected by improved visibility of the roads to the schools and/or advance signing and illumination. All of these facilities are on State-maintained roadways. The State DOT&PF does not anticipate any difficulties completing projects to meet the identified needs.

For more information, contact Paula Ramsey at 465-3900



Rhonda -

call Graham

come out from  
Fairbanks who will testify

① Mum DIXON (MS) 80 T/F

② John Martin

③

4/16/84

HB 622 - Rep Davis

Teleconference

Les Reidlinger 452-4461

~~called from~~  
452-2000 Supt office

~~Facilities~~ ~~planning~~ ~~for~~ ~~FNSB~~ ~~School~~ ~~District~~  
~~planning~~ ~~for~~ ~~FNSB~~ ~~School~~ ~~District~~

Gus Zetra - Assoc Supt  
~~XXXXXXXXXXXXXXXXXXXX~~

John Martin ~~Admin~~ ~~Division~~ 479-4261

Planner DOTPF  
+ Programming  
Jonathan Widdis  
DOTPF

Project planner for DOTPF - Fairbanks

Bridge #0-312-399-1730

call-in at 6:30 or 8:20 to be on-line

calling for House Transp Committee meeting

x 3836 - Ken / Doris - leg file

1- 0-312-399-1730

collect call from UFO - Unfunded site -

calling for House Transp. Committee

2- call at least 5 min before start

April 16, 1984

House Transportation Committee  
Pouch V  
Juneau, Alaska 99811  
*C C O Senator Mason.*

Department of Transportation  
State of Alaska

In consideration of House Bill 622. We the members of House District 18, wish to express the urgent need for a consideration of this appropriation to improve the roads and signs involving public access as well as school access to the Richardson Highway portion of our district.

It is imminent that a more adequate caution be placed at the crossing of Badger Road and Richardson Highway near Market Basket.

It behooves us to make you aware that we have had more than five fatalities at this intersection.

The hazards of our students embarking on or from school buses is enough to make any parent have grey hairs.

You would have our undying gratitude to assist us in making this appropriation in House Bill 622 become a reality.

Sincerely,

Frank Belts

Thomas Strickland

Connie Watson

Don Bascom

Scott Matthews

Joan Coston

Jayle Pierce

Bill Lewis

Arthur Medley

Freda Russell

Margaret Bascom

Jewell B. Smith

*P.O. Box 73238*

*File no. 99707*

*Margaret Bascom*

*488-1932*

H B

660

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: 4/16/84

REQUEST

Bill/Resolution No.: HB 660  
Title: Kenai River Bridge

Sponsor: Malone  
Requestor: \_\_\_\_\_  
Date of Request: 2/16/84

FISCAL DETAIL

Agency Affected: DOT&PF  
Program Category Affected: D&C

BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANECUS			20.0	20.0	20.0	20.0
<b>TOTAL OPERATING</b>						
<b>CAPITAL</b>		5,672.0				
<b>REVENUE</b>						

FUNDING: (Thousands of Dollars)

GENERAL FUND		5,672.0	20.0	20.0	20.0	20.0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Not identified by bill sponsor.

ANALYSIS: Attach a separate page for any Analysis

Prepared By: William R. Snell Phone: 266-1462  
Division: Planning Date: 4/16/84

Approved by Commissioner: R. J. Knapp *[Signature]* Date: 4/18/84  
Agency: DOT&PF

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

ANALYSIS HB 660

1. Would increase the maintenance and operations budget for the Department.
2. Fiscal impact on new programs or activities: Unknown
3. Cost estimate prepared by Design and Construction based on data provided from project design; Departmental M&O standard costs based on \$5,500 per lane mile (12 ft. widths — approximately 2 miles)
4. This project would fund:
  - a. Construction of a bridge over the Kenai River.
  - b. Construct a road from bridge to Funny River Road (South) and from the bridge to Scout Lake Road (North).

Cost estimate includes Design Completion (bridge design completion, materials work, and specifications update), ROW, Utilities, and Construction.

HB

661

# Alaska State Legislature

REPRESENTATIVE  
BETTE CATO  
DISTRICT 6  
BOX 775  
VALDEZ, ALASKA 99686  
(907) 835-4568  
WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-4858  
(907) 586-2660

## House of Representatives

COMMITTEES  
CHAIRMAN  
HOUSE TRANSPORTATION  
MEMBER  
HOUSE COMMUNITY AND  
REGIONAL AFFAIRS

### CS By Transportation Changes:

- Adds new section "Sec. 37.15.730 Knik Arm Crossing. Notwithstanding the provisions of AS 37.15.720 the first state toll facility to be constructed is the Knik Arm Crossing near Anchorage."

The provisions of Sec. 720 authorize the state to "...Acquire, construct, equip and maintain toll bridges, highways, roads, crossings and causeways found to be necessary by the commissioner of DOTPF."

- Adds reference to 730 throughout the bill (.730 explained above).
- Transportation CS clean up language throughout the bill. "Crossings" is also added to the definitions of "toll facilities" in the definition section of the bill.

Neil Munson - Speaker's office

- Suggested we look at HB 294 + 295 dealing w/ Knik Arm to help in finding back-up for CS HB 661

- Also John Olson of DOTPF will be coming to talk to committee on bill

COMMITTEE REPORT

HOUSE

4/12

FINANCE

(9)

FURTHER:

2/13/84

Date:

4/12/84

The Committee on TRANSPORTATION has had HE 661

"An Act relating to the acquisition, construction, equipping, and maintenance of toll facilities funded by revenue bonds and providing toll collection authority,,"

under consideration and recommends:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HB 661 (transportation)  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero Fiscal Note Attached
- referred to the \_\_\_\_\_ Committee Sep 12.7

MEMBERS SIGNING  
DO PASS

[Signature]

[Signature]

[Signature]

M.W. Miller

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

\_\_\_\_\_

\_\_\_\_\_

M.W. Miller

CHAIRMAN



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 13, 1984

The Honorable Joe Hayes  
Alaska House of Representatives  
Pouch V  
Juneau, AK 99811

Dear Representative Hayes:

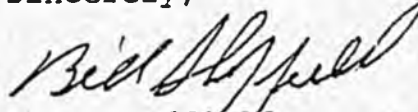
Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to toll bridges and highways. This bill addresses both the authority for construction and maintenance of the facilities and their funding through revenue bonding. The bill gives this authority to the Department of Transportation and Public Facilities and avoids unnecessary duplication of personnel in the administration of toll facilities. The language in the bill is based on language in AS 37.15.-410 -- 37.15.550, dealing with international airports revenue bonds.

The bill provides that the acquisition, construction, or equipping of toll facilities may be accomplished through the issuance of revenue bonds. It creates special funds for the accounting and management of proceeds of the bond sales and for the redemption or refunding of the bonds. It further allows the retention, in the toll facilities revenue fund created in AS 37.15.630, of money generated through toll collection. This money will then be used for payment of interest on the bonds and redemption as the bonds mature.

Money received from tolls collected and placed in the revenue fund is also made available for the purposes of paying for normal maintenance and operation of the toll facilities, replacement of the facilities, and other costs associated with the ownership of the facilities. The money would not be available for general appropriation by the legislature but would be protected for use for those purposes set out in AS 37.15.630. This does not violate the "dedicated funds" prohibition contained in art. IX, sec. 7, of the Alaska Constitution inasmuch as the funds are segregated for the purpose of guaranteeing payment of bonds and securing the collateral for the bonds.

This bill provides an opportunity to meet certain needs of the state's highway system in an era when general fund appropriations might not be possible for that important purpose. I urge your prompt consideration and action on this measure.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Sheffield".

Bill Sheffield  
Governor

7

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: 144

Title: DOT&PF Toll Facilities Financing Bill

Sponsor: Office of the Governor

Requestor: \_\_\_\_\_

Date of Request: \_\_\_\_\_

FISCAL DETAIL

Agency Affected: DOT&PF  
Program Category Affected: Transportation

BRU, Program or Subprogram(s) Affected: \_\_\_\_\_  
Major Projects Management \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		0 (1)*				
CAPITAL		0 (2)*				
REVENUE		0 (3)*				

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS		0 (4)*				
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		0 (5)*				
PART-TIME						
TEMPORARY						

\*See attached notes

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Costs of issuing revenue bonds will be recovered in the bond sale and liquidated from project revenues. There is, therefore, no fiscal impact from the bill. Fiscal impacts from specific projects will be considered if and when legislation is introduced to contribute capital or operating funds to the projects.

ANALYSIS: Attach a separate page for analysis

Prepared By: John B. Olson Phone: 266-1447  
Division: Major Projects Management Date: 2/3/84

Approved by Commissioner: \_\_\_\_\_ Date: 2/3/84  
Agency: DOT&PF

Distribution (by Agency preparing fiscal note):

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

12/1/83

FISCAL NOTE BACKUP

TOLL FACILITIES FINANCING

- (1) The bill will allow DOT&PF to sell revenue bonds to finance toll producing transportation facilities. Costs associated with the bond issues will be recovered with the issue and paid from revenues. Operating and other costs will also be paid from toll revenues. As a result, no net operating costs will accrue from the bill. Any legislated contributions to operating costs for specific facilities, should such contributions be required, would be the subject of separate legislation and the fiscal impact would be considered with such legislation.
- (2) The bill seeks to construct capital facilities through the sale of revenue bonds. Any legislated contributions to capital, if required, would be the subject of separate legislation and the fiscal impact would be considered with such legislation.
- (3) Facilities constructed under the bill will be revenue producing. The revenues will contribute to capital and operating costs as explained in notes (1) and (2) above.
- (4) Federal Fund eligibility will be determined on a project by project basis.
- (5) Employee costs and positions arising from facility operation will be paid from project revenues.

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date \_\_\_\_\_

REQUEST

Bill/Resolution No: HB 661  
 Title: DOT&PF Toll Facilities  
Financing Bill  
 Sponsor: Governor  
 Requestor: House Transportation  
 Date of Request: \_\_\_\_\_

FISCAL DETAIL

Agency Affected: State Bond Committee  
 Program Category Affected: \_\_\_\_\_  
 BRU, Program of Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	63000.0	63000.0	63000.0	63000.0	63000.0
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	63000.0	63000.0	63000.0	63000.0	63000.0
TOTAL	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attached separate page for analysis.

Prepared By: Milt Barker MB  
 Division: Treasury

Phone: 465-2350  
 Date: 2-23-84

Approved by Commissioner: [Signature]  
 Agency: [Signature]

Date: 2/28/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

HB 661  
Fiscal Note Analysis

\$63,000,000 is the estimated annual debt service on the \$500,000,000 revenue bonds authorized in HB 661. This debt service estimate assumes 20 year bonds at 11% interest to be conservative. Bonds may have longer maturities and higher or lower interest rates.

The source of funds for debt service would ordinarily be the toll facilities revenue fund. However until the first project is operating, there will be no revenues. Therefore, for FY 85 at least, the fund source would be the toll facilities construction fund.

(operation/  
expenses)

tions for operating expenses of the legislature, and would allow the Executive Director of the Legislative Affairs Agency to pay those expenses through the Department of Administration by requisition. Funds would have to be disbursed on properly drawn vouchers signed by a certifying officer of the legislature appointed by the Executive Director. Duplicate copies of each voucher would have to be sent to the Department of Administration within 15 days after the end of each calendar month.

Redefines "state agency", "agency", "department" or similar terms under the Fiscal Procedures Act by stating that the term does not include the legislature.

Provides Act takes effect July 1, 1984.

State Bond  
Committee  
(members/  
meetings/  
duties/staff)

HOUSE BILL NO. 609, by Reps. Uehling, Hayes, Adams, Abood, Bettisworth, Fuller, Goll, Lindauer, Ringstad and Shultz. Under this bill the State Bond Committee would function within the Department of Revenue (currently functions independently), and adds to its membership the Commissioner of Community and Regional Affairs and a member of the board of directors of a public corporation which is an instrumentality of the state authorized to issue bonds. The board member would be appointed by and serve at the pleasure of the Governor. The Commissioner of Revenue would become the chairman of the State Bond Committee (currently the Commissioner of Commerce and Economic Development is the chair).

Would allow the committee to meet and transact business by electronic media if proper notice is given--states that 24 hours or more is adequate for a meeting of the committee at which the issuance of bonds is authorized), participants and members of the

INTRODUCTION OF BILLS (House)

HB 609. (cont'd)

public can hear and have the same rights to participate as if the meetings were conducted in person, and if copies of pertinent information is available.

Would require the committee to prepare and submit an annual report to the governor and legislature before January 31 of each year. ". . . The report must show (1) all outstanding debt of debt issuing entities of the state; (2) the anticipated impact on the finances and credit of the state, including the effect on long-term capacity and creditworthiness resulting from that debt; (3) which long-term debt is tax supported and which is supported only by revenues attributable to the project being financed by the debt; (4) all long-term lease obligations of the state; (5) the volume of short-term debt issued and retired during the year by debt issuing entities of the state; and (6) specific identification of each issue for which the state has pledged some form of indirect support for the debt including any moral obligation of the state to support the debt. . . ."

Also requires the committee to:

--require that true interest costs be the basis for determining the lowest bid on debt issued by debt issuing entities of the state;

--develop written informational guidelines concerning management of all debt by each debt issuing entity of the state, including recommended level of debt, structuring of debt offerings, and repayment schedule;

--require that a person who provides financial programming or marketing assistance in connection with the issuance of debt of debt issuing entities of the state shall be compensated for services on a determined fee basis that may not be based on the amount of the debt issued;

--require the debt issuing entities of the state to prepare and submit to the committee by January 15 of each year a calendar of all debt proposed to be issued showing the amount and type of the debt and the month in which issuance is proposed.

Would allow the State Bond Committee to appoint an executive director who may, with approval of the Committee, select and employ additional staff as necessary. Employees of the Committee would be in the partially exempt service under the State Personnel Act.

Provides Act takes effect immediately.

Construction  
Contractors  
(Board of  
Builders)

HOUSE BILL NO. 610, by Rep. Furnace. Would establish the Board of Builders under AS 08.18 (Construction Contractors). The Board would be responsible for requesting the Department of Commerce & Economic Development to investigate the practices of a contractor or a person who appears to be engaged in contracting. The Board would be responsible for holding disciplinary hearings, and if it finds that a person has violated state law or regulation,

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 11, 1983

SUBJECT: Legislators serving on the Alaska Toll Bridge  
and Causeway Authority

TO: Representative Bette Cato  
Chairman, House Transportation Committee

FROM: Billy G. Berrier *BGB*  
Director  
Division of Legal Services

You have asked whether legislators are constitutionally prohibited from serving on the Alaska Toll Bridge and Causeway Authority under HB 295. In my opinion they would be prohibited from so serving.

Two questions arise relating to the constitutionality of that provision. The first is whether the position is an office or position of profit which a legislator is prohibited from holding under section 5 of Article II of the Constitution of the State of Alaska. The second is whether the Authority exercises functions which are of such an executive nature that appointment would constitute a violation of the constitutional doctrine of separation of powers.

Section 5 of Article II reads:

Section 5. No legislator may hold any other office or position of profit under the United States or the State. During the term for which elected and for one year thereafter, no legislator may be nominated, elected, or appointed to any other office or position of profit which has been created, or the salary or emoluments of which have been increased, while he was a member. This section shall not prevent any person from seeking or holding the office of governor, secretary of state, or member of Congress. This section shall not apply to employment by or election to a constitutional convention.

This provision has been considered by our Supreme Court in Begich v. Jefferson, 441 P.2d 27 (Alaska 1968) where the issue was whether legislators were prohibited from holding positions as school teachers under the State of Alaska while serving as legislators, and Warwick v. State ex rel Chance, 548 P.2d 384 (Alaska 1976) concerning the appointment as Commissioner of Administration when less than one year from the end of his term had elapsed.

The purpose of the prohibition was stated in Warwick to be:

The terms of art. II, sec. 5 of the Alaska Constitution are clear and unambiguous. The purpose sought to be accomplished by that section is not merely to prevent an individual legislator from profiting by an action taken by him with bad motives, but to prevent all legislators from being influenced by either conscious or unconscious selfish motives.

Section 6 of Article III of the Constitution provides:

Section 6. The governor shall not hold any other office or position of profit under the United States, the State, or its political subdivisions.

The Court in Begich examined the intended meaning of the term "position of profit" in context of similar prohibitions on the governor and the judiciary saying:

"We have concluded that the trial court correctly determined that the provisions of article II, section 5 of the Alaska constitution are unambiguous. Upon a reading of the constitution as a whole, we deem it of paramount significance that the phrase 'position of profit,' in addition to restricting members of the legislature, has also been employed as a restriction upon members of the judicial council, justices of this court, superior court judges, and the chief executive officer of the State of Alaska. Use of the term 'position of profit' in these articles of Alaska's constitution illuminates the reach the framers of our constitution intended to impart to this term in article II, section 5. This usage, considered with the fact that the constitution itself provides only two exceptions to the scope of 'position of profit,' namely, Article II, section 5's proviso that the section itself be inapplicable 'to employment or

election to a constitutional convention,' and article XII, section 3's provision that 'service in the armed forces of the United States or of the State is not an office or position of profit as the term is used in this constitution,' indicates to us that the framers intended to prohibit members of the legislature, judiciary, judicial council, and the state's chief executive officer from holding any other salaried non-temporary employment under the United States or the State of Alaska.

\* \* \*

"Our study has convinced us that the framer's choice of 'position of profit' in the various sections of the constitution to which we have referred reflects their intent to adopt a term which was broad in scope. This same analysis results in the conclusion that the phrase 'position of profit' was intended to bar members of the legislature, justices of this court, superior court judges, members of the judicial council, and the governor of the State of Alaska from concurrently holding any other salaried, non-temporary employment under the State of Alaska."

In my opinion membership on the authority by legislators or the governor constitutes dual office holding prohibited by the constitution.

Although the doctrine of separation of powers does not explicitly appear in our constitution, our Court has consistently held the doctrine as applicable in Alaska (e.g., Public Defender Agency v. Super. Ct. 3rd Jud. Dist., 534 P.2d 947 (Alaska 1975); and Bradner v. Hammond, 553 P.2d 1 (Alaska 1976).

There is a substantial body of case law holding that legislators may not serve on bodies performing executive functions because of the doctrine of separation of powers. Our Court has held that appointment of executive officers is an executive function saying in Bradner v. Hammond, 553 P.2d 1 (Alaska 1976):

Appellee [Hammond] contends that the appointment of executive officers is an executive function. We find appellee's contention most persuasive. In addition to vesting the executive power of the state in the

governor, Section 16 of Article III provides that "[t]he governor shall be responsible for the faithful execution of the laws." In view of the responsibilities imposed by Section 16, and the authority granted by Section 1, the governor is necessarily clothed with the power to appoint subordinate executive officers to aid him in carrying out the laws of Alaska. Thus we conclude that the appointment of executive officers is an executive function; for without such a power, the responsibility for executing executive duties would be diffused and the goal of separation of branches of government, avoiding too great a concentration of power in one branch, would be defeated.

The United States Supreme Court dealt with the separation of powers question in Buckley v. Valeo, 424 U.S. 1 (1976) which concerned the regulations and the constitutional status of the Federal Election Campaign Act's regulation of federal election campaigns. Among the questions considered was the constitutionality of the appointment of the members of the Federal Election Commission. The committee consisted of six members, four of whom were appointed by Congress.

The Court examined the powers of the commission and found the commission, in addition to record keeping, disclosure and investigative functions, had extensive rule-making and adjudication powers. It also found the commission's enforcement power is "both direct and wide ranging."

The Court stated:

Congress viewed these broad powers as essential to effective and impartial administration of the entire substantive framework of the Act. Yet each of these functions also represents the performance of a significant governmental duty exercised pursuant to a public law. While the President may not insist that such functions be delegated to an appointee of his removable at will, Humphrey's Executor v. United States, *supra*, none of them operates merely in aid of congressional authority to legislate or is sufficiently removed from the administration and enforcement of public law to allow it to be performed by the present Commission. These administrative functions may therefore be exercised only by persons who are "Officers of the United States".

The Court quoted from Myers v. United States, 272 U.S. 52 (1926). In that case the Court upheld the authority of the President to remove an officer he was initially authorized to appoint. The Court said:

The vesting of the executive power in the President was essentially a grant of power to execute the laws. But the President alone and unaided could not execute the laws. He must execute them under a system of subordinate . . . As he is charged specifically to take care that they be faithfully executed, the reasonable implication, even in the absence of express words, was that as part of executive power he should select those who were to act for him under his direction in the execution of laws.

The Court held the appointment requirement to be a violation of the doctrine of separation of powers.

The test to determine whether appointment of legislators to serve on a commission is a violation of the doctrine of separation of powers is whether the powers of the commission are executive or judicial in nature. This requires in each case examination of the powers granted to the commission.

Very broad executive authority is granted under Sec. 44.57.111.

In my opinion legislators are clearly prohibited from serving as officers of the authority as contemplated by this bill under the separation of powers doctrine and both legislators and the governor are prohibited from serving under the respective dual office holding provisions of the constitution.

BGB:ljb  
19/022

INTRODUCTION OF BILLS (House)

Toll Facility  
Revenue Bonds

HOUSE BILL NO. 661, by the Rules Committee by Request of the Governor. Relates to the acquisition, construction, equipping, and maintenance of toll facilities funded by revenue bonds. See accompanying letter from the Governor. Does not provide for an effective date (becomes law 90 days after Governor signs bill).

Introduced February 13 and referred to Transportation, Finance.

In his message transmitting the bill, Governor Sheffield stated:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to toll bridges and highways. This bill addresses both the authority for construction and maintenance of the facilities and their funding through revenue bonding. The bill gives this authority to the Department of Transportation and Public Facilities and avoids unnecessary duplication of personnel in the administration of toll facilities. The language in the bill is based on language in AS 37.15.410 -- 37.15.550, dealing with international airports revenue bonds.

The bill provides that the acquisition, construction, or equipping of toll facilities may be accomplished through the issuance of revenue bonds. It creates special funds for the accounting and management of proceeds of the bond sales and for the redemption or refunding of the bonds. It further allows the retention, in the toll facilities revenue fund created in AS 37.15.630, of money generated through toll collection. This money will then be used for payment of interest on the bonds and redemption as the bonds mature.

Money received from tolls collected and placed in the revenue fund is also made available for the purposes of paying for normal maintenance and operation of the toll facilities, replacement of the facilities, and other costs associated with the ownership of the facilities. The money would not be available for general appropriation by the legislature but would be protected for use for those purposes set out in AS 37.15.630. This does not violate the "dedicated funds" prohibition contained in art. IX, sec. 7, of the Alaska Constitution inasmuch as the funds are segregated for the purpose of guaranteeing payment of bonds and securing the collateral for the bonds.

This bill provides an opportunity to meet certain needs of the state's highway system in an era when general fund appropriations might not be possible for that important purpose. I urge your prompt consideration and action on this measure.

Parole of  
Offenders

HOUSE BILL NO. 662, by the Rules Committee by Request of the Governor. Relates to the parole of offenders. See accompanying letter from the Governor. Provides Act takes effect January 1, 1985.

Introduced February 13 and referred to the Judiciary, Finance.

In his message transmitting the bill, Governor Sheffield stated:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the administration of parole. The bill updates the statutory authority for parole administration, clarifying apparently conflicting dictates of court decisions, and providing a higher degree of certainty in the parole process. Under the bill, existing AS 33.15, governing parole administration is repealed; re-organized and revised parole administration statutes are placed in new AS 33.14.

Legal

Comparison w/ airport

---

If not restrict use  
of \$ to spec. project -  
how far at the  
restricted

Legal analysis

---

Comparison

of int'l airport  
revenue funds

2) Notebook as

---

1) Do comparison of this program w/ airport

---

2) How it is restricted  
How to

---

D R A F T

TO: Billy G. Berrier  
Director  
Legal Services

FROM: Representative Bette Cato  
Chairman  
House Transportation Committee

RE: Committee Substitute for House Bill 661

We have been told by the Department of Transportation that HB 661 is modeled after the revenue bond provisions of the Airport Revenue Fund. Please provide us with a comparison of the proposed program in HB 661 and the International Airports Revenue Funds (AS 37.15.410-.550).

We also would like to know if CSHB 661 language restricts the use of money to special projects or if under this bill the money is discretionary. If the funds are restricted, how are they restricted.

If the funds are discretionary, would you please provide language that would restrict the use of the money for special projects.

Thank you for your assistance on this matter.

Attachment: Draft copy of CSHB 661

Original sponsor: Rules/Governor

IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

CS FOR HOUSE BILL NO. 661 (Transportation)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act authorizing the construction of the Knik Arm Crossing and relating to the acquisition, construction, equipping, and maintenance of toll facilities funded by revenue bonds and providing toll collection authority."

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

\* Section 1. AS 37.15 is amended by adding new sections to read:

ARTICLE 4. TOLL FACILITIES REVENUE BONDS.

Sec. 37.15.610. BOND AUTHORIZATION. For the purpose of providing part or all of the money to be used, with or without any grants or other money that may become available, the issuance and sale of revenue bonds of the state in the total principal sum of not to exceed \$500,000,000 is authorized to acquire, construct, equip, and install the additions, improvements, extensions, and facilities authorized in AS 37.15.720 and 37.15.730. The principal of and interest on these bonds are paid out of and secured by the gross revenues derived by the state from the ownership, use, and operation of the toll facilities, and out of any other revenue or money that the state legislature may provide exclusive of any state tax or license.

→ Sec. 37.15.620. CONSTRUCTION FUND. (a) The toll facilities construction fund is established for deposit of proceeds of the sale of the bonds authorized by AS 37.15.610 and any grant or other money that is legally provided for the same purposes for which the bonds are authorized except for any accrued interest paid on the bonds by the

*Does not  
provide for  
the amount of  
the bonds to  
be sold  
or the rate  
of interest  
to be paid  
on the bonds*

purchaser. The money in the construction fund is used to pay the cost of acquiring, constructing, and equipping facilities authorized in AS 37.15.720 and 37.15.730 and costs incidental to those activities, including costs of the authorization, issuance, and sale of the bonds. To the extent allowed in the bond resolution, money in the construction fund may also be used for the payment of interest on the bonds during the time of actual construction, and for any additional time, not exceeding one year after construction is completed. Money in the construction fund may also be transferred to the bond redemption fund, as permitted by the bond resolution, to establish a reserve for the payment of the principal and interest on the bonds.

(b) The bond resolution may provide for the investment of money in the construction fund as the committee determines. The interest earned upon or any profit derived from the sale of the investment is deposited in the construction fund.

Sec. 37.15.630. REVENUE FUND. (a) The toll facilities revenue fund is established and shall be set apart from all other money of the state. The toll facilities revenue fund is a trust fund for the purposes under AS 37.15.610 - 37.15.760, where all revenue, fees, tolls, charges, and rentals are deposited that are derived by the state from the ownership, lease, use, and operation of the facilities authorized by AS 37.15.720 and 37.15.730. The revenue, fees, tolls, charges, and rentals may not include the proceeds of any state tax or license. The money in the revenue fund may only be used to

(1) pay or secure the payment of the principal of and interest on the toll facilities bonds and principal of and interest on any other revenue bonds issued by authorization of the legislature to provide money to acquire, construct, and equip facilities authorized by AS 37.15.720 and 37.15.730 and to be payable out of the revenue

fund;

(2) pay the normal and necessary costs of maintaining and operating the facilities acquired, constructed, or equipped under AS 37.15.610 - 37.15.760;

(3) pay the costs of renewals, replacements, and extraordinary repairs to facilities acquired, constructed, or equipped under AS 37.15.610 - 37.15.760;

(4) redeem before their fixed maturities any and all revenue bonds issued for the purpose of acquiring, constructing, and equipping facilities authorized by AS 37.15.720 and 37.15.730;

(5) provide money to acquire, construct, and equip necessary additions and improvements to facilities authorized by AS 37.15.720 and 37.15.730; and

(6) provide money to pay any and all other costs relating to the ownership, use, and operation of the facilities.

(b) The investment of money in the revenue fund may be made as the committee determines. The interest earned upon or any profits derived from the sale of an investment under this subsection shall be deposited in the revenue fund.

Sec. 37.15.640. BOND REDEMPTION FUND. The toll facilities revenue bond redemption fund is established for deposit in trust of money for paying and securing the payment of principal of and interest and redemption premium, if any, on bonds and is set apart from all other money of the state. The committee, on behalf of the state, shall obligate the state to set aside and pay into the bond redemption fund from the revenue fund an amount of money sufficient to pay the principal of and interest and redemption premium, if any, on the bonds as the payments become due and, if the committee considers it necessary, to set aside and maintain a reserve for this purpose. The bond

*AS 37.15.640 - resolution  
requires rental, fuel, other airport  
charges. We set a 1% fund supplement to  
at 1993. The annual net revenues  
1993-94  
1994-95  
Annual  
dkt  
Revenue*

redemption fund is drawn upon for the purpose of paying the principal of and interest and redemption premium, if any, on the bonds, and the bonds do not constitute a general obligation of the state.

Sec. 37.15.650. BOND TERMS. (a) The toll facilities bonds are sold in the amounts or series and at the time as determined by the committee. Before selling a series of bonds, the committee shall give notice inviting sealed bids. If satisfactory bids are received, the bonds offered for sale are awarded to the highest responsible bidder. If the committee determines that a bid received is not satisfactory as to price or responsibility of the bidder, the committee may reject the bid received. Bonds, or a series of bonds, may not be sold if the effective interest rate over the life of the bonds exceeds 11 percent per year or that rate of interest that is 125 percent of the rate of the Bond Buyer Index of 20 Municipal Bond Average Yields for the week previous to the date of sale of the bonds, whichever is higher. Interest is payable annually or semiannually.

(b) The bonds mature at the time fixed by the committee. The bonds may be subject to redemption before their fixed maturities as determined by the committee and with the premium fixed by the committee, but a bond may not be subject to redemption before its fixed maturity date unless the right to redeem that bond is expressly mentioned on the face of the bond. The bonds

(1) may be in denominations determined by the committee;

(2) may be issued in coupon form or in fully registered form, and may be registrable as to principal or both principal and interest, all under regulations and conditions the committee provides;

(3) are payable as to principal and interest at the place determined by the committee;

(4) shall be signed on behalf of the state by the governor

and shall be attested to by the lieutenant governor, both of which signatures may be facsimile signatures, and each of the interest coupons attached to them shall be signed by the facsimile signatures of these officials;

(5) shall have the seal of the state impressed, printed, or lithographed on them; and

(6) shall be issued under and subject to the terms, conditions, and covenants, providing for the payment of the principal of and interest on the bonds and the other terms, conditions, covenants, and protective features safeguarding this payment and relating to the maintenance, operation, and improvement of the toll facilities as found necessary by the committee, which covenants may include a provision requiring the setting aside and maintenance of certain reserves to secure the payment of the principal and interest.

(c) If found reasonably necessary, the committee may select a trustee or trustees for the holders of the bonds or any series of the bonds, for the safeguarding and disbursement of any of the money in any of the funds created by AS 37.15.620, 37.15.630, and 37.15.640, or for the duties for authentication, delivery, and registration of the bonds as the committee may determine. The committee shall also fix the rights, duties, powers, and obligations of the trustee or trustees.

(d) In the committee's determination of all of the matters and questions relating to the issuance and sale of the bonds and the fixing of the maturities, terms, conditions, and covenants of the bonds as provided in (a) - (c) of this section, the decisions of the committee shall be those found to be reasonably necessary for the best interests of the state and its inhabitants, and those that will accomplish the most advantageous sale of the bonds, with due regard,

however, (1) to necessary or normal costs of maintenance and operation; (2) to renewals and replacements of and repairs to the toll facilities; (3) to all improvements to toll facilities and property of toll facilities owned, used, operated, or leased in connection with toll facilities; and (4) to the future growth and expansion of all of the facilities and the possibility of additional revenue bond financing for toll facilities purposes. A decision of the committee, as expressed in any bond resolution, is final when any bonds have been issued under the bond resolution.

(e) A bond resolution may provide that the bonds issued contain a recital that they are issued under AS 37.15.610 - 37.15.760, and any bonds containing this recital are conclusively considered to be valid and to have been issued in conformity with AS 37.15.610 - 37.15.760.

(f) The validity of the authorization and issuance of bonds is not affected by any proceeding for the acquisition or construction of the additions, improvements, or facilities for which the bonds have been issued or by any contract in connection with the acquisition or construction.

Sec. 37.15.660. BOND RESOLUTION. The committee is authorized and directed to adopt the bond resolution and prepare all other documents and proceedings necessary for the issuance, sale, and delivery of the bonds or any part or series of them. The bond resolution shall fix the principal amount, denomination, date, maturities, place or places of payment, rights of redemption, if any, terms, form, conditions, and covenants of the bonds or each series of them. The committee shall also determine and provide for the date and manner of sale of the bonds, and shall provide whether the notice of sale is to be published elsewhere in addition to the publication required by AS 37.15.650.

Sec. 37.15.670. ENFORCEMENT BY HOLDER. The holder of any bonds or the trustee for the holders of the bonds or any series of them, may, by appropriate proceedings in the courts of record of the state, compel the transfer, setting aside, and payment of money and the enforcement of all of the terms, conditions, and covenants as required and provided in AS 37.15.610 - 37.15.760 and in the bond resolution.

Sec. 37.15.680. AMOUNTS REQUIRED FOR PAYMENTS. The committee shall, before December 31 of each year, commencing with the year in which the bonds are issued, certify to the commissioner of revenue and the commissioner of transportation and public facilities the amounts required in the next ensuing calendar year by a bond resolution to be paid out of the revenue fund into the bond redemption fund and to be paid into and maintained in any reserve fund or account or any other fund or account created by a bond resolution. The committee shall also certify to the commissioners the last date upon which payments may be made.

Sec. 37.15.690. BOND NEGOTIABILITY. The bonds and the coupons attached to them are fully negotiable instruments under the laws of the state.

Sec. 37.15.700. REFUNDING. (a) The bonds or any part of them may be refunded at or before their maturity by the issuance of refunding revenue bonds of the state if in the opinion of the committee refunding is advantageous to and in the best interest of the state and its inhabitants.

(b) The issuance of refunding bonds need not be authorized by an act of the legislature, and the committee shall adopt the resolution and prepare all other documents and proceedings necessary for the issuance, exchange or sale, and delivery of the bonds. All provisions of AS 37.15.610 - 37.15.760 applicable to revenue bonds are applicable

to the refunding bonds and to the issuance, sale, or exchange of the bonds, except as otherwise provided in this section.

(c) Refunding bonds may be issued in a principal amount sufficient to provide money for the payment of all bonds to be refunded by them, and, in addition, for the payment of all expenses incident to the calling, retiring, or paying of the outstanding bonds, and the issuance of the refunding bonds. These expenses include the difference in amount between the par value of the refunding bonds and any amount less than par for which the refunding bonds are sold, any amount necessary to be made available for the payment of interest on the refunding bonds from the date of sale of them to the date of payment of the bonds to be refunded or to the date upon which the bonds to be refunded will be paid under the call of the bonds or agreement with the holders of them, and the premium, if any, necessary to be paid in order to call or retire the outstanding bonds and the interest accruing on the outstanding bonds to the date of the call or retirement.

Sec. 37.15.710. BONDS AS LEGAL INVESTMENTS. Toll facilities bonds are legal investments for all banks, trust companies, savings banks, savings and loan associations, and other persons carrying on a banking business, all insurance companies and other persons carrying on an insurance business, and all executors, administrators, trustees, and other fiduciaries. The bonds may be accepted as security for deposits of all money of the state and its political subdivisions.

Sec. 37.15.720. STATE TOLL FACILITIES. The state is authorized to acquire, construct, equip, and maintain toll bridges, highways, roads, crossings, and causeways found to be necessary by the commissioner of transportation and public facilities.

Sec. 37.15.730. KNIK ARM CROSSING. Notwithstanding the

provisions of AS 37.15.720 the first state toll facility to be constructed is the Knik Arm Crossing near Anchorage.

Sec. 37.15.740. TOLL FACILITY CHARGES. The commissioner of transportation and public facilities shall fix and collect the fees, charges, tolls, and rentals derived by the state from the ownership, lease, use, and operation of the facilities authorized by AS 37.15.720 and 37.15.730 and improvements of the facilities as will provide revenues sufficient to comply with all of the covenants of the bond resolution.

Sec. 37.15.750. STATUTORY CONSTRUCTION. AS 37.15.610 - 37.15.-760 shall be liberally construed in order to carry out the purposes for which the provisions were enacted, and all existing laws in conflict with AS 37.15.610 - 37.15.760 are superseded as necessary to accomplish the purposes of AS 37.15.610 - 37.15.760.

Sec. 37.15.760. DEFINITIONS. In AS 37.15.610 - 37.15.760, unless the context requires otherwise

(1) "bond redemption fund" means the toll facilities revenue bond redemption fund created by AS 37.15.640, including any accounts that are created in that fund after the effective date of this Act;

(2) "bond resolution" means the resolution authorizing the issuance of bonds, adopted by the committee under AS 37.15.660;

(3) "bonds" means the toll facilities revenue bonds authorized by AS 37.15.610 - 37.15.760;

(4) "committee" means the state bond committee created by AS 37.15.110, or any other committee, body, department, or officer of the state that or who succeeds to the rights, powers, duties, and obligations of the state bond committee by act of the legislature;

(5) "construction fund" means the toll facilities

construction fund created by AS 37.15.620;

(6) "revenue fund" means the toll facilities revenue fund created by AS 37.15.630;

(7) "toll facilities" means highways, roads, bridges, crossings, and causeways upon which tolls, charges, rentals, or other user fees are placed by the commissioner of transportation and public facilities.

\* Sec. 2. AS 19.05.040 is amended to read:

Sec. 19.05.040. POWERS OF DEPARTMENT. The department may

- (1) acquire property;
- (2) exercise the power of eminent domain;
- (3) take immediate possession of real property, or any interest in it under a declaration of taking or by other lawful means;
- (4) acquire rights-of-way for present or future use;
- (5) control access to highways;
- (6) regulate roadside development;
- (7) preserve and maintain the scenic beauty along state highways;
- (8) dispose of property acquired for highway purposes;
- (9) accept and dispose of federal funds or property available for highway construction, maintenance, or equipment;
- (10) enter into contracts or agreements relating to highways with the federal government, municipalities, a political subdivision, or with a foreign government, if the contract is approved by the federal government; [AND]
- (11) establish, levy, and collect tolls, fees, charges, and rentals for the use of state roads, highways, bridges, crossings, and causeways; and
- (12) exercise any other power necessary to carry out the

purpose of AS 19.05 - 19.25.



# **KNIK ARM CROSSING**

**Presentation  
to the  
Governor  
and the  
Legislature**

**March 1984**

LEGISLATIVE ASSIGNMENT

Highway Crossing of Knik Arm with Connections to Parks & Glenn  
Highways

- Design Criteria
- Environmental Assessment
- Right-of Way Studies
- Location Selection
- Preliminary Design & Cost Estimates

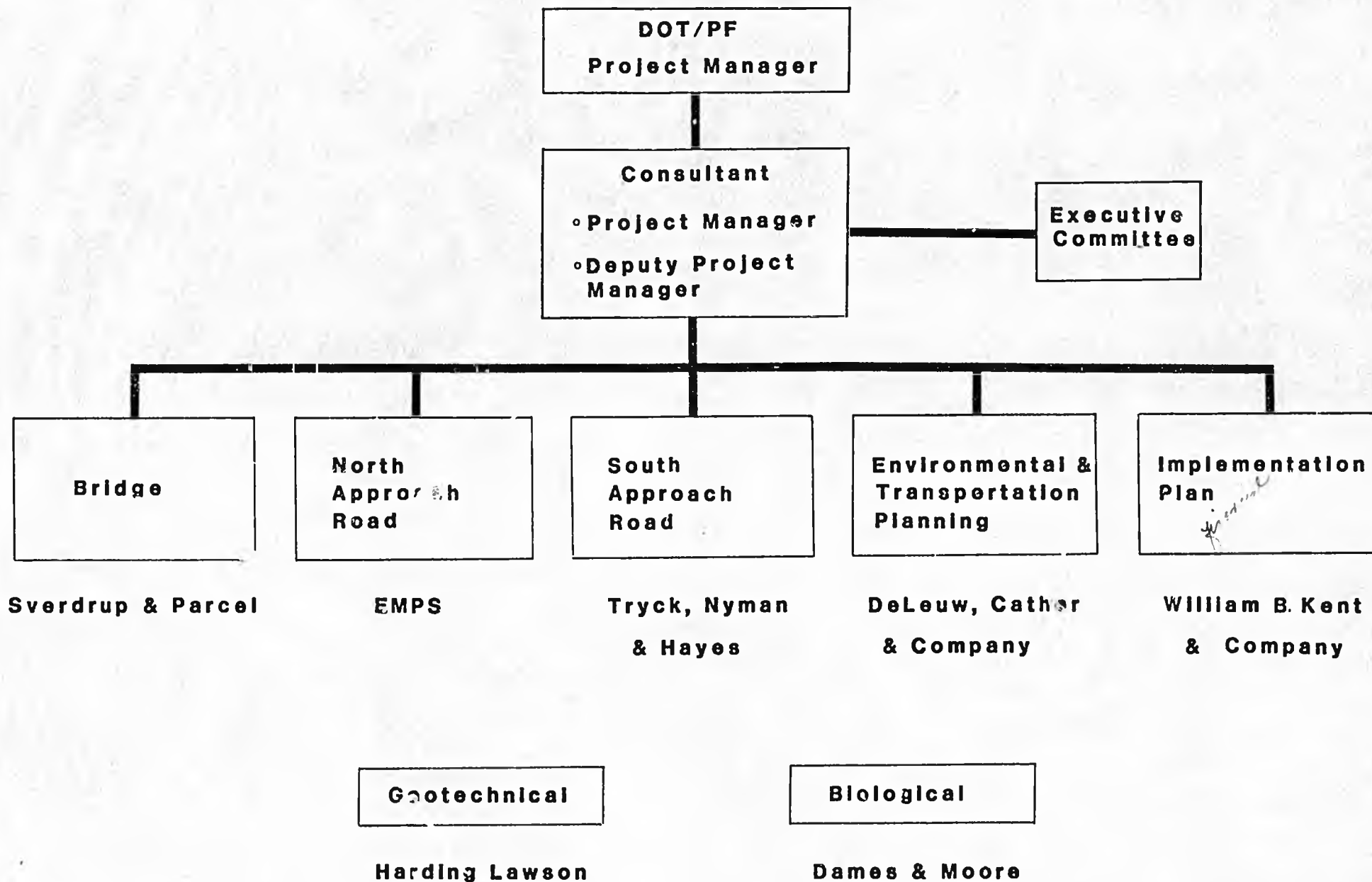
BUDGET

- |                          |               |
|--------------------------|---------------|
| ◦ 1981 Appropriation     | \$5.5 million |
| ◦ Consultant Contract    | \$4.5 million |
| ◦ Balance (January 1984) | \$3.0 million |
| ◦ FY 85 Request          | \$5.4 million |

PROJECT RESOURCES (DOT/PF)

- Total Department Resources
  - Contract Administration & Accounting
  - Planning
  - Environmental Coordination
  - Surveys
  - Right-of Way
  - Utilities
  - Materials & Geology
  - Legislative Liaison
- Director
  - Major Projects Management Division
- Project Manager
  - Leads Department & Consulting Team

# Consultant Resources



AGENCIES

- Steering Committee
  - ADOT/PF
  - Municipality of Anchorage
  - Matanuska-Susitna Borough
  - Military (Air Force, Army, Navy)
  - Alaska Railroad
- Federal Agencies

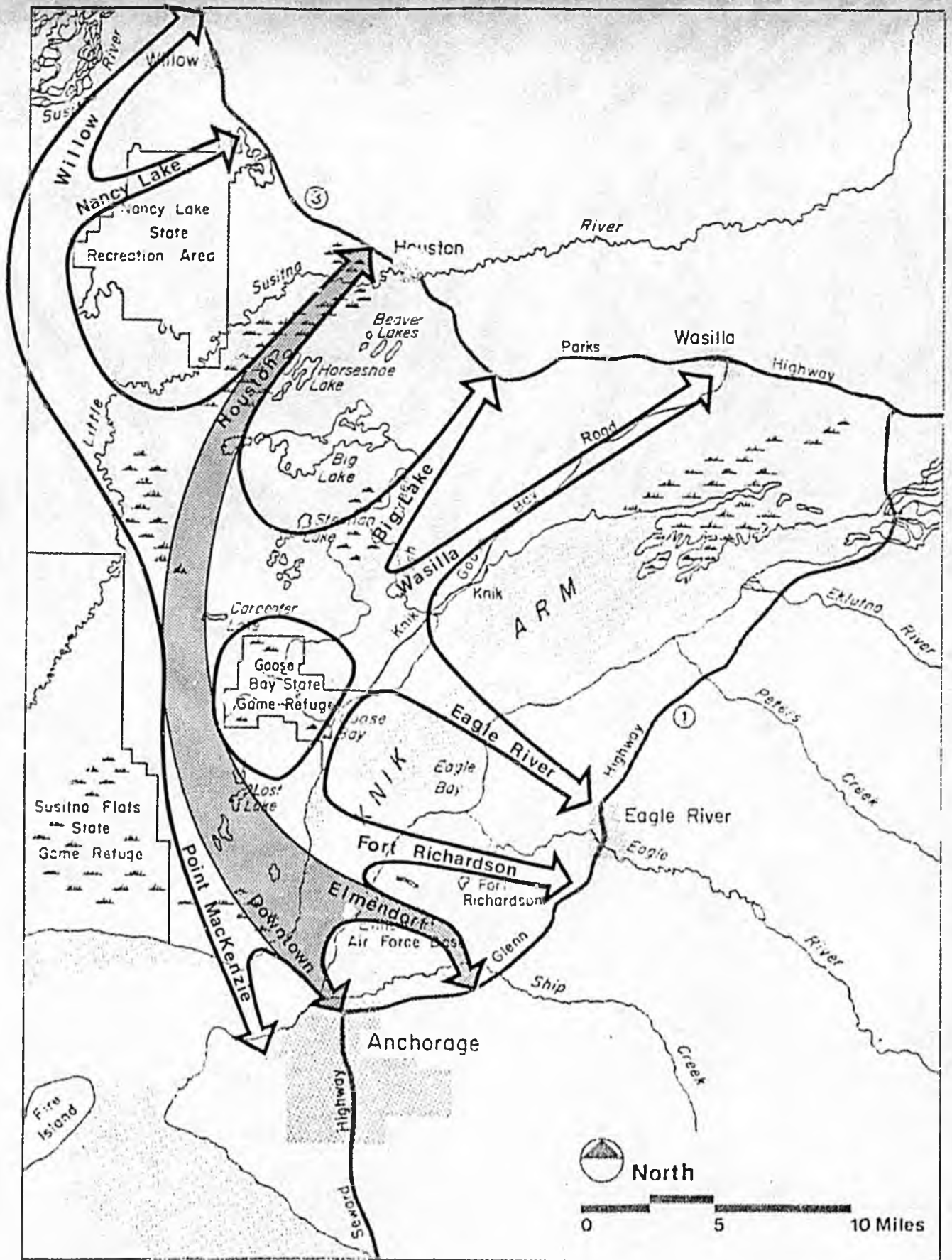

ARR	FHWA	EPA
BLM	DOA	USAF
COE	DOC	USCG
FAA	DOI	USF&W
- State Agencies
  - Dept. of Comm. & Reg. Affairs
  - Dept. of Envir. Conservation
  - Dept. of Fish & Game
  - Dept. of Natural Resources
  - OMB - Div. of Strategic Planning
  - UAA - Inst. of Soc. & Eco. Research

WORK COMPLETED

- Scoping *Public Participation Environmental*
- Economic Feasibility Report
- Corridor Alternatives Analysis - *Final*
- Alignments Definition

WORK UNDERWAY

- Conceptual Design
- Environmental Impact Statement *Site Map*
- Geotechnical Investigations *Site Parameters*
- Implementation Plan *Need Assessment for access plan*
- Right-of-Way Evaluation
- Bid Documents - Crossing *At. Bed Rock Assessment*



CROSSING ALTERNATIVES

Downtown Project

- Seward Connector
- Downtown Crossing
- Houston Connector
  - Segment 1
  - Segment 2

Elmendorf Project

- Glenn Connector
- Elmendorf Crossing
- Houston Connector
  - Segment 1
  - Segment 2

NO-CROSSING ALTERNATIVES *EIS Requires not all.*

- No Action Option
- Other Transportation Plans of DOT, AMATS, & Mat-Su
- Transit Option
  - 2 Hovercraft
- Low Capital Option
  - Additional Glenn & Parks Highway Improvements

ALASKA RAILROAD

- Possible for either Downtown or Elmendorf
- Costs to Accomodate Future Rail on Highway Bridge
  - \$50 million to \$100 million *Bridge strong enough to carry RR, 1.5-20 yrs. From now*
- Railroad Related Activities in Progress
  - Conceptual Design & Cost Estimates
  - Environmental Assessment
  - Right-of-Way Studies
- Railroad Financing
- Separate Bridge - *Concept design for consideration*
- Decision Timing
- Finance/Design/Build RR Crossing
  - Separate Project of Alaska Railroad

ESTIMATED COSTS  
Millions of 1983 Dollars

DOES NOT  
INC. MILITARY  
RELOCATION  
COSTS.

	Downtown Project				Period	Elmendorf Project			
	Design	ROW	Constr.	Total		Design	ROW	Constr.	Total
Anchorage Connector	12.0	2.0	80.0	94.0	2000-2001	2.1	1.0	14.3	17.3
<i>Bridge</i> Highway Crossing	18.4	1.0	530.3	549.7	1986-1990	15.0	0.3	358.5	373.8
Mat-Su Connector									
* Segment 1	1.3	0.0	24.5	25.8	1989-	1.3	0.0	24.5	25.8
* Segment 2	1.6	2.3	23.0	27.0	1990	1.6	2.3	23.0	27.0
Total	33.3	5.3	657.8	696.5	1986-2001	20.0	3.6	420.3	443.9

Note: Does not include cost of strengthening bridge for Alaska Railroad (\$50 to \$100 million).

FINANCING ALTERNATIVES

- Connectors
  - 90% Federal
  - 10% State
  
- Crossing
  - Toll Revenue Bonds
  - Private Venture
  - Land Sales
  - Local Improvement District
  - State Appropriation
  - Combination

For Representative Hayes

Regarding CSHB 661...authorizing construction of Knik Arm Crossing and relating to acquisition, construction, equipping, and maintenance of toll facilities funded by revenue bonds and providing toll collection authority.

The language in the bill specifies that the Knik Arm Crossing is to be the first toll facility constructed with the proceeds of revenue bonds authorized. How does it preclude use of construction fund for other means of acquiring toll facilities or converting existing state roads, highways, bridges, causeways or crossings to toll facilities?

Does the language in this bill restrict the use of money in special projects or is the money discretionary?

If not restricted, what language could be used to do so?

We have been told that CSHB 661 is based on the international airport revenue bonds but the difference we wonder about is:

The maximum amount of airport bonds that can be sold is \$62.8 million; the resolution authorizing the sale of airport bonds requires rentals, fees and other airport charges be set at a level sufficient to provide annual net revenues at least 30 percent higher than annual debt service requirements.

CSHB 661 authorizes sell of \$500 million in revenue bonds and does not imply that the entire amount will be sold or would be used to construct the Knik Arm crossing.

Thus, the question being that what happens if there is a cash shortage throughout the life of the 20 year bond issue, which option will be taken to cover these cash shortages?

*ROUGH  
ROUGH  
DRAFT*

✓ Anchorage Caucus - Knik Arm Crossing Presentation by John Olson, DOT

Started off with a historical chronology and small amount of philosophy.

1972 study made of Knik Arm Crossing and proposed a bridge crossing that would cost about \$120 million. It pays to remember that when start to talk about the other numbers that are bigger today, but in 1972, \$120 million was a very, very large figure as the numbers are still today.

1984 is much of a narrower focused picture showing Anchorage with its current state of development. If you look and compare here, you will see that the Chugach Mountains on the East, the military reservation, reserved blocks of lands at the airport and other locations of the town, and what we know to be the zoning practices within various areas of the city, shows the city to be very nearly full.

✓ A planning municipality study, shows that within 3 years, 3000 acres of available land is diminished to about 300 or 400. So the northeast quadrant of the city is growing very rapidly, as we know other areas of the city to be growing.

From there we can see that there is alot to be said for the quality of life in Anchorage. As we grow, from the 1972 population to the now doubled from \$120-130 to \$250. In another 10 years, about the time the Knik Arm Crossing is going to be in use, we can see another 50% growth, about 380,000 people. That's a rather large land use imposed on the land everyone is already near full. So quality of life in Anchorage will be enhanced ...Knik Arm Crossing.

The Mat-Su Borough would also anticipate a ...they have their own interest and we're working with them to incorporate them in our studies.

Referred to map and pointed out that from Sheep's Creek Channel down to Tudor and out to Lake Otis, you can see the enormous amount of land that's available on the Mat-Su side of the Knik Arm. Too, recognize the central business district proximity to this new land and consider the type of development that would be occurring just on the other side - I believe it will be high value commercial development corresponding to the general population growth that's occurring in this town.

Last item of philosophy is you'll see in some of the right-of-way costs, engineering development cost that I'm showing you. Right-of-way costs now are very small. If we wait another 10 years alot of development will be developing, to put a bridge across at that time will still be expensive. (Remember in 1972 \$120; 1984 something over \$500 million, large numbers) The ROW costs and other ...costs of putting a project in would be quite high. Also if we wait there will, it takes along time to build a bridge like this, there will be continuous development, higher density in Anchorage, and I think that it would probably be harmful for the Anchorage area to wait for that high density and then sell, this area. It happened in an area I'm familiar with in L.A.; The L.A. - Orange County shift was not good generally to L.A. It would have happened a little bit more orderly as I think the finding would indicate

here, both areas have probably been alot better off. So that essentially sets the stage for what I want to work my flip charts.

The Legislative assignment that DOT received was to develop a highway crossing of Knik Arm with Connections to the Parks and Glenn Highways. Realize that this assignment includes both a bridge and highway; we're looking at quite a large number of miles of connecting roads to make access to the bridge, to make a functional utility. So we're looking at both a highway and bridge project.

We are well within the State of the Arts from an engineering stand point for building a bridge, but it is a .... of the art we do have to develop a design criteria for which to base our design on. We're going to be using some federal monies for the approach roads and for other reasons, producing an environmental assessment and impact statement; right-of-way studies and alot of ROW to identify and move on so that it's obtained timely way for the bridge, we want to accelerate and move this schedule as fast as we can. We have done location, selection and preliminary design and cost estimates. This in summary is our scope of work.

We address the scope of work in two ways with our department own resources and with consultant resources. The department is handling the contract administration and planning; planning being the ... to integrate the bridge within the Mat-Su planning area and the Anchorage planning area for the road connections primarily and for other reasons. Surveys, ROW's, the other things that the, where the rubber meets the road on developing a major capital project like this. I'm the Director of the Major Projects Management Division, this provides a single point, accountability, responsibility, authority for the project, that is my job. I have a full time project manager who works with me to lead the in-house and consultant resources.

Consultants, there are a number of them, each with their own speciality and purpose. Working under our project manager and myself, is a Prime Project Manager from Sverdrup and Parcel who has responsibility for design development on the bridge; EMPS, Tryck, Nyman and Hayes have the approach road responsibility; DeLew, Cather, & Co. have responsibility for environmental and transportation planning; Bill Kent & Co., I'll be getting to this in a little awhile, is the financial planner, will be working up an implementation plan, that's very important for the Legislature in the first quarter of next year. We plan to bring that plan to you. Harding Lawson doing alot of geotechnical work that will be completed this summer; and Biological work for the environmental studies and other reasons is Dames & Moore. A conventional day to day man power loading on the project will be about 25-30 people.

QUESTION: Were these contracts out for bidding?

ANSWER: Yes, they were

QUESTION: You referred earlier to legislative assignment, could you give us the reference in statutes I'd like to look up and read that assignment.

ANSWER: I don't have them, let me respond to you, I'll get back to you this afternoon with that.

pluralistic

We have a real good (pluristic) decision development here. Many agencies influence the way this bridge is developed and its timing.

Some federal agencies, the state agencies, have if not the authority to kill the project, or not to give permits, some of them have that authority, many of them have a prerogative if they will to delay the project. It's our responsibility to try and keep with these agencies, and keep them moving on our schedule. We understand they have other work to do, but we try to like trying for them to accomplish their role, but we have a Steering Committee that has the most involved agencies, Municipality of Anchorage, Mat-Su Borough, Air Force, Army, Navy, Alaska Railroad participate on that Steering Committee. But I've only just written down a few of the acronyms for the various federal agencies that we are working with and the State agencies that appear also. Just by the number of people to keep communications open with when we need something from them, they know it and have time to respond.

We have completed several items of work, a scoping required by the environmental process, also part of the public participation involvement process; an economic feasibility report that shows the project to be quite economic. Economically valuable project. Corridor Alternative Analysis, is a report that I believe all of you have sent a copy of a final corridor alternatives analysis and the alignments definition which narrowed the corridors down from, I'm sure you've seen this octopus drawing; we're looking at essentially one road corridor two bridge corridors and we have those alignments refined. I might point out to you on the strip map, is a part of the alignment that they did in Anchorage, it heads out towards your left over Knik Arm in the downtown crossing alignment....beginning at Sheep Creek ... and ending out at the other side. The second alignment which is the Elmendorf Crossing which would run through Elmendorf Air Force Base. (Referred to a different strip map)

The work we have underway is conception of the design with a bridge, an environment impact assessment statement will be out in late May, and that I guess is important for you people to know that we will be back to give you a presentation on that. Geotechnical Investigations this summer; we don't want to do geotechnical investigations too far in advance of the alignment selection because we want to drill these very expensive holes where we expect the bridge to be located, so those will be done this summer, it's an expensive activity. Implementation planning is what we want to bring back you next session for how to finance and carry forward this project. Right-of-Way Evaluation is in process and we have some preliminary reading on that. Bid Documents for the Crossing will be prepared and we'll be ready to go to the street by the time I'm back here next year.

The budget from our original appropriation is \$5.5 million. Our contracts with our consultant team is a total of about \$4.5 million and our balance in January was \$3 million. Balance in June will be about \$1.9 million and through the summer as we drill the holes and get into the first quarter of next year, all of those funds will be consumed because we will produce what we were assigned to produce in the form of (business? bidding?) documents.

This year there was a Senate appropriation of \$5 million for north and south approach roads and highway matching funds of \$5 million also for a north and south approach roads. I'm sure many of you understand the (distift) difference between the authority that we receive and expend this appropriation so I won't draw that distinction, I'll try to answer questions.

QUESTION: Once that environmental impact statement is released, (late in May) will you come back to us and give us an accelerated road project plan? Expound on it?

ANSWER: Yes

QUESTION: What I'm trying to do is step up the ....What I'm asking, is how much of a time line do you give us that information?

ANSWER: Let me speak to the schedule of the ...and I'll show you what we have to accomplish before the first quarter of next year.

CROSSING ALTERNATIVES are the downtown and Elmendorf project, they include several components, we've broken them into forms because of the very large expense, so that we can schedule and program these expenses or to mitigate the one time chance for them.

(Referring to map) On the downtown project the Seward Connector, the downtown crossing is the bridge from the intersection at almost the water's edge, will be the bridge crossing itself would be defined to begin and runs up to the Spruce interchange on the Mat-Su side. Then segment one of the Mat-Su connector goes ...up to Pt. McKenzie access road. Segment 2 runs from that point up to the Parks Hwy, again to decree our legislative assignment. The Elmendorf project has a Glenn connector which connected with the Glenn Hwy. The crossing which the is the bridge itself and identically the same approach road on the Mat-Su side of the arm.

The environmental impact statement clauses requires that we consider some no crossing alternatives, a no-action option is fundamental, we have to have it in there. It would be essentially continue to construct AMATS, Mat-Su, and DOT plans without the bridge. The transit option would be couple ....which is we certainly .....and a little capital option which would be essential to expand the existing highways as they run around Knik Arm.

QUESTION: The chart shows highway crossing in 1986-1990, what is the highway crossing?

ANSWER: That's the bridge.

QUESTION: Then Anchorage connector 2000-2001, that's

ANSWER: That is east-west viaduct if you will that runs over the Seward Highway, and I'll explain why that is shown in that schedule.

Let me explain right now, we want to identify what is the minimum cost to get a bridge crossing, highway crossing across the Knik Arm. Then, because the first year utilization won't be its ultimate utilization, how long can we defer the connecting road costs until there are needed. I think the key thing to know, is that by 1991 when we open the bridge, we'll certainly not know an awful lot better, what the demand will be for that Seward connector and we want to identify that decision that can be deferred so that they don't overwhelm the project cost.

An important consideration that the bridge crossing is the Alaska Railroad. In the final corridor alternatives analysis report we gave to you indicated the downtown alignment could not receive the railroad crossing causes....that was incorrect. The ...will make that correction.

Both crossings can receive a rail in combination with the highway. It will cost \$50-100 million more to strengthen the bridge so that it would support a railroad crossing. That does not get you the crossing, that just gives you the bridge strong enough to install the railroad later on.

We are carrying along with this process, for the benefit of the legislature to make a determination, the conceptual design cost estimates, environmental assessment, right-of-way studies for a railroad crossing. The financing will be broken out. The concept of a separate bridge will be considered. I think that's because the points in decision timing. We are looking at the bridge or a rail crossing, maybe 15 years from now. \$50-100 million expense now for a bridge that might be used 15-20 years from now is a substantial commitment of funds. We want to make sure that that's identified and broken out and analyzed very carefully.

QUESTION: Could you clarify strengthening the rail? Is that a decision that has to be made now? Or can the design be such that we can add the strengthen components at any time. In other words we have to spend the \$100 million or whatever up-front? Or is that going to be the cost of the additional support which we can add 5 years from now or 10 years from now?

ANSWER: No, it's a decision that this is on the advise of our bridge engineers, it will have to be made when the bridge is released for bid. Consider for example that the bridge on the downtown alignment would probably run down the middle of the bridge. It would come up at a different grade from the highway approaches, more gradual slope and merge with the bridge, it needs to be in the middle, so the piers have to be set farther apart for the east and west traffic lane.

QUESTION: If I may then, when we make the financing plan we have to make that decision at that time with the finance; it's going to roll into the financing package at that time we'll have to make the railroad decision.

QUESTION: Could you provide us at a time that is convenient the cost of such a reinforcement now ....

ANSWER: Well, the railroad says gee we don't know, but we think 15-20 years from now is there input. We will know an awful lot more about the disposition of the railroad after this legislative session, conclusion of next year. We're working with the railroad to develop that. We want to bring to you much more facts than I can present right now. We're not completed with our work. We want to consider, because of the very large expense, the project as a separate project. It can be built with this project. We want to make sure that we identify not add without clarifying clearly to you that \$50-100 million more would be needed. We're going to show that on a different breakout.

QUESTION: There's been a lot of legislation that we've had before that is providing for revenue bonds. And if I understand my revenue bonds, being different from general obligation bonds where the voters must vote, revenue bonds is something we have to deal with as the legislature. If we deal with revenue bonds this legislature and we have your toll bridge concept how does this impact your timing. We may want to pass in this legislature our authority and our bonding mechanism which would put the finances with the financial mechanism into place to do the project. Do you feel that you're sufficiently coordinated with that timing mechanism?

ANSWER: Yes, as a matter of fact, on the CSHB 661, it'll be beneficial to have that legislation pass this session, cause in our implementation we would be dealing with a known mechanism. We're not present to the legislature which I think could be best described as a menu. We're going to make a recommendation, maybe one or two recommendations on how best to finance this. But, it would be very nice to have known to us that we can't have the authority to sell revenue bonds ... toll collection capability.

Let me talk to that financing plan just a minute. The downtown crossing to get the highway across the arm connected into a road system properly, about \$500 million; the Elmendorf is about \$375 million. The Elmendorf crossing, that includes relocating military facilities on Elmendorf (refer to strip map) there's a lot of different things we have to dodge. The military has a lot of secret missions, they're going to be coming back to us with what their relocation costs are, but it could be somewhat more; they could run this cost up considerably. But those are key numbers to keep in mind. About \$550 million for downtown, \$375 million for Elmendorf. That east-west viaduct is \$100 million, that's why we've broken it out separately; it's not essential to the bridge to get into operation and be useful for some time before this bill.

QUESTION: Is the military prepared to give up the ROW across the land? How are we protected against cost overrun? What's our protection, are you talking hard money contract?

ANSWER: The military is not at this time prepared to give that ROW up. They want to do a study, they have their ... consultant on board to do that. The cost overrun protection. Well, when we complete our study and have our bidding documents we will have a conservative cost estimate, our engineers will be preparing that for us. We should be taking a look at the potential for sensitivity in some of those costs. I think

the best encouragement you would have there is if we had an estimate, put it out to bid, the bids will come back, and that bid is a construction bid and there are always ...contingency money, but it should be very close to what we get back to the bid.

Very quickly, and this gets, and I could spend quite a bit of time with this, but again our menu, to the legislature would involve several potential mechanisms. The revenue bonds, private design built finance concept, maybe the sell of some resource to raise money, that's a possibility. Line the local improvement district or portion of the bridge, state appropriation, or combination of these and other mechanisms.

Important chart shows the benefit and cost as they crew to the project. Conservative estimate requires an investment from the State. Our toll revenues can essentially support a certain amount of borrowing. Federal funds are available for the connecting roads. This would speak to Senator Pestinger questions about why move these investments down later on, is essentially so we don't have just an enormous 3-5 year appropriation.

QUESTION: It looks to me like there's about 20,000 acres of land here that in all likelihood would be developed and I don't know if some of this is swamp (alot of it is pretty good) but 20,000 acres ...let's say that the depreciation in value of those 20,000 acres would pay the \$10,000 an acre would that be fair? Is the day the bridge..more than it is now.

ANSWER: (Ward) The day the bridge is done it worths \$10,000 more an acre, yes.

QUESTION: That's \$200 million in net increase of the value of that property.

ANSWER: (Ward) That is one of his planning scenarios that will be presented to the Legislature next year, the land acquisition into the base which the, under the International Airport bonding mechanism, they can accept the land injection or money injection. So that is one of the scenarios that should be coming back in the menu that he is speaking. Where we will not use money we will land which is the same as money, but it will have a land base such as maybe mental health or the U of A does it at present time.

Very quickly responding to that, keep in mind that alot of that land was in State ownership has been claimed by the Mat-Su Borough. The land status is owned by the Mat-Su borough, the value capture which is a term often used for that delta, value depreciation is also owned by Mat-Su because...the land. The State does own some land there, but not as much as you might think.

QUESTION: The ROW corridor that goes all the way up to Houston, that should have equal appreciation in...I'm sure there's alot of State land that's owned ...

ANSWER: That land is more of what we'll be looking at, we can't sell land the State doesn't own. But also, the real appreciation is remember the ....there is going to be on the land ...opposite the downtown development of Anchorage, I think we'll see a Twin City type development package and that will be very high value land. Much more.....

We have a number of activities that have to be completed and we can talk a little bit more in detail when I have a little more time about what those things are, but the conclusion is that we will need authority, probably funding from the Legislature and that's why we're targeting even though we're going to be done a little bit early. We're on schedule and we want to stay that way, but we want to work with the Legislature as we develop some of these ...the EIS, and various other things to be able to respond to questions, and this group is very important to that process, so that when we come back in the next legislative session, we will have some exchange of information, everybody will be reading off the same sheet of music, but we will then have a chance to communicate.

QUESTION: Last year the House passed a bill for the Knik Arm authority, and that was on the advise of the commissioner who said that, at least to the... the department felt no legislation...this has changed now.

ANSWER: The bill CSHB 661 would be our recommendation that that be passed, give DOT the authority to ...and use those tolls to make principal interest payments on revenue bonds.

QUESTION: So it's not the ..concept....

Ward: Speak towards HB 294 and HB 295 which passed the House. Last year speaking to Commissioner Casey and the House felt that we wanted to take this project out of the Department of Transportation and Public Facilities planning and put it into an authority. This apparently was too the Governor came and lobbies along with the Commissioner saying that they did not need legislation to build the Knik Arm Crossing, so these two bills sponsored by Speaker Hayes died in the Senate, or are still in the Senate.

House Bill 661 was introduced this year at the request of the Governor and by Mr. Olsen who has gone through and found that there does need to be some legislation, you can't build large things without the legislature approving them. We found a small oversight on HB 661 and we've corrected that and put a CS in and so that they forgot to put the word Knik Arm in there, that was an oversight and that has been taken care of. So the CS now reflects....I told the Governor about the oversight and he looked very astonished that it had fallen out through the cracks like that, so here I am carrying his water once again...it is in there now it's in the CS and it was an oversight and incidentally there is no objection from the Department of Transportation and Public Facilities for it being placed in there. They wanted a framework one and we, some of the people involved, that there could be a misunderstanding since the Gastineau Channel wanted a bridge too, we wanted to be sure that Knik got first, so that's why the CS reads the way it is.

Asked for Sub-committee for purpose of adopting a resolution to support the KNik Arm crossing for next week's agenda.

Made motion that form a subcommittee for the purpose of creating a resolution from the Anchorage Caucus for supporting the KNik ARM Crossing in conjunction with the legislation that's before us now as supporting the project.

Brief discussion

Sub-Committee Members: Representatives Lindauer, Liska, Ward; Senators Pettyjohn, Josephons, Haiford

QUESTION: I don't quite understand, we have two concepts here the downtown bridge and an Elmendorf bridge, it appears to me the DOT feels the Elmendorf crossing is the best way to go. Has that decision been made.

ANSWER: I think the key to note is they're very different projects in the way that they approach Anchorage ...

QUESTION: But the decision has not yet been made.

ANSWER: We are carrying both alternative to the environmental impact statement process, the decision is made after that.

QUESTION: The downtown crossing, requires no military lands ROW?

ANSWER: Yes,

Further questions/answers couldn't understand as several people talking at once.

We can not, we don't have enough information to eliminate the Elmendorf Crossing.....we have (not) completed our studies for official rule on that....

Bussell: ...haven't spoken about the enterprise fund or this inclusion of land into the fund, the enterprise fund as you know holds the Anchorage Airport as well as the Fairbanks Airport and a great deal of State land is involved in that enterprise fund. When they talk about adding land to the crossing fund, the thoughts were that that fund could be expanded and possibly renamed to include the crossing authority. By adding additional land to the enterprise, it then would be able to collect its own fees and tariffs much as the, same way the International Airport does right now. In conjunction with those other two sources, would become a viable source to sell its own bonds and build its own bridge and collect possibly its own accesses. Those of you who have talked to Mr. Olsen, incidentally, I'm awfully glad that MR. Olsen's on board, it's the first indication that I've had that the Dept. of Hwys is serious and it's going to respond to the legislature in building this bridge. Up until the time he came, I absolutely believe that all we got was rhetoric and run around at the continued expense for nothing. And I am very happy to see him here.

I think the enterprise fund, even though the DOT doesn't think its worth considering, I think it is definitely worth considering and probably the most viable way of getting that bridge built and having it control its own destiny and getting it done on time.

Brief thank yous, end of meeting.

# Alaska State Legislature




Speaker of the House of Representatives

Fouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-3720

Official Business

MApril 10, 1984

To: Rep. Bette Cato  
Chairman/ House Transportation Committee

From: Joe L. Hayes  
Speaker 

Re: HB 661

HB 661 relating to revenue bonds for highway, road and bridge facilities is currently in your committee. This bill was introduced by the Governor. I also understand the administration supports the proposed substitute by the committee.

To give this bill an opportunity for passage by the Senate, it is imperative it be moved along quickly. I request that you move the bill from your committee as soon as possible.

Thanks.

HB 661

BILL HB0661  
PAGE 02562  
DATE 02/13/84  
CHAMBER HOUSE  
TEXT HOUSE BILL NO. 661 by the Rules Committee by request of the Governor, entitled:

"An Act relating to the acquisition, construction, equipping, and maintenance of toll facilities funded by revenue bonds and providing toll collection authority."

was read the first time and referred to the Transportation and Finance Committees.

BILL HB0661  
PAGE 02563  
DATE 02/13/84  
CHAMBER HOUSE  
TEXT A fiscal note was attached which appears in House Journal Supplement No. 92. The Governor's transmittal letter dated February 13, 1984, appears below:

"Dear Representative Hayes:  
Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to toll bridges and highways. This bill addresses both the authority for construction and maintenance of the facilities and their funding through revenue bonding. The bill gives this authority to the Department of Transportation and Public Facilities and avoids unnecessary duplication of personnel in the administration of toll facilities. The language in the bill is based on language in AS 37.15.-410 -- 37.15.550, dealing with international airports revenue bonds.

The bill provides that the acquisition, construction, or equipping of toll facilities may be accomplished through the issuance of revenue bonds. It creates special funds for the accounting and management of proceeds of the bond sales and for the redemption or refunding of the bonds. It further allows the retention, in the toll facilities revenue fund created in AS 37.15.630, of money generated through toll collection. This money will then be used for payment of interest on the bonds and redemption as the bonds mature.

Money received from tolls collected and placed in the revenue fund is also made available for the purposes of paying for normal maintenance and operation of the toll facilities, replacement of the facilities, and other costs associated with the ownership of the facilities. The money would not be available for general appropriation by the legislature but would be protected for use for those purposes set out in AS 37.15.630. This does not violate the "dedicated funds" prohibition contained in art. IX, sec. 7, of the Alaska Constitution inasmuch as the funds are segregated for the purpose of guaranteeing payment of bonds and securing the collateral for the bonds.

This bill provides an opportunity to meet certain needs of the state's highway system in an era when general fund appropriations might not be possible for that important purpose. I urge your prompt consideration and action on this measure.

Sincerely,  
/s/ Bill Sheffield  
Bill Sheffield  
Governor"

BILL HB0661  
PAGE 03304  
DATE 04/12/84  
CHAMBER HOUSE  
TEXT

The Transportation Committee has had HOUSE BILL NO. 661 (relating to the acquisition, construction, equipping, and maintenance of toll facilities funded by revenue bonds and providing toll collection authority) under consideration, recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 661 (Transportation):

"An Act authorizing the construction of the Knik Arm Crossing and relating to the acquisition, construction, equipping, and maintenance of toll facilities funded by revenue bonds and providing toll collection authority."

and reports it back as follows: M. W. Miller (Chairman), Abood, Szymanski and Pettisworth recommend do pass; McBride and Davis recommend do not pass; Flood has no recommendation. A fiscal note was attached.  
HB 661 was referred to the Finance Committee.

The fiscal note appears in House Journal Supplement No. 127.

Toll Facility  
Revenue Bonds

HOUSE BILL NO. 661, by the Rules Committee by Request of the Governor. Relates to the acquisition, construction, equipping, and maintenance of toll facilities funded by revenue bonds. See accompanying letter from the Governor. Does not provide for an effective date (becomes law 90 days after Governor signs bill).

Introduced February 13 and referred to Transportation, Finance.

In his message transmitting the bill, Governor Sheffield stated:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to toll bridges and highways. This bill addresses both the authority for construction and maintenance of the facilities and their funding through revenue bonding. The bill gives this authority to the Department of Transportation and Public Facilities and avoids unnecessary duplication of personnel in the administration of toll facilities. The language in the bill is based on language in AS 37.15.-410 -- 37.15.550, dealing with international airports revenue bonds.

The bill provides that the acquisition, construction, or equipping of toll facilities may be accomplished through the issuance of revenue bonds. It creates special funds for the accounting and management of proceeds of the bond sales and for the redemption or refunding of the bonds. It further allows the retention, in the toll facilities revenue fund created in AS 37.15.630, of money generated through toll collection. This money will then be used for payment of interest on the bonds and redemption as the bonds mature.

Money received from tolls collected and placed in the revenue fund is also made available for the purposes of paying for normal maintenance and operation of the toll facilities, replacement of the facilities, and other costs associated with the ownership of the facilities. The money would not be available for general appropriation by the legislature but would be protected for those purposes set out in AS 37.15.630. This does not violate the "dedicated funds" prohibition contained in art. IX, sec. 7, of the Alaska Constitution inasmuch as the funds are segregated for the purpose of guaranteeing payment of bonds and securing the collateral for the bonds.

This bill provides an opportunity to meet certain needs of the state's highway system in an era when general fund appropriations might not be possible for that important purpose. I urge your prompt consideration and action on this measure.

Toll Facility  
Revenue Bonds

HOUSE BILL NO. 661, (see page 372). Reported back to the House April 12 by Transportation recommending it be replaced with a substitute and as follows: M. W. Miller (Chair), Abood, Szymanski and Bettisworth recommend it do pass. McBride and Davis recommend do not pass. Flood has no recommendation. To Finance.

Transportation adds a new section that states: "Sec. 37.15.730. Knik Arm Crossing. Notwithstanding the provisions of AS 37.15.720 the first state toll facility to be constructed is the Knik Arm Crossing near Anchorage." (The provisions of sec. 720 authorize the state to "... acquire, construct, equip and maintain toll bridges, highways, roads, crossings, and causeways found to necessary by the commissioner of transportation and public facilities."--"crossings" is added by this substitute.) Adds reference to section 730 throughout the bill.

Transportation cleans up language throughout the bill. "Crossings" is also added to the definition of "toll facilities" in the definition section of the bill.

COMMITTEE REPORT

HOUSE

4/25

Rule

(11)

FURTHER:

4/12/84

Date: 4-25-84

The Committee on FINANCE has had HB 661

"An Act relating to the acquisition, construction, equipping, and maintenance of toll facilities funded by revenue bonds and providing toll collection authority."

under consideration and recommends:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HB 661 (Comp)  same title  
 new title
- and recommends DO PASS
- AND attaches a "Letter of Intent"  New Fiscal Note 200-19-84-3-27-84  
 Zero Fiscal Note Attached Sup 134
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Robert Adams

R. B. Bettisworth

J. H. Brantley

Walt Furnace

Vernon Furber

Jim W. G. [unclear]

J. P. [unclear]

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[unclear] (None)

Jim Duncan (No Rec)

Frank F. Zippert (No Rec)

Robert Adams  
CHAIRMAN