

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672  
6728 SENATE TRANSPORTATION

1132

Mavor Helms,  
ARR  
12/14/87

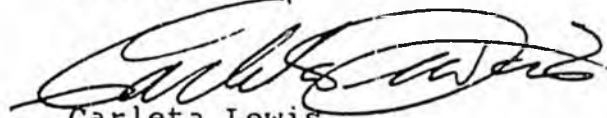
The City received a letter from DOT a few days ago advising us that they are going to install lights and a gate at one of our crossings. We have been told that we will be responsible for all maintenance costs, and electricity. The annual inspection costs for the railroad representatives to check out this one facility are supposed to be in the neighborhood of \$3,000.00.

Juanita, as you know, Revenue Sharing and other sources of municipal revenue have been declining and will most likely continue to decline in the coming years. Communities are having enough economic problems providing basic services without adding expenses at this time. These unknown costs are a real factor in our budget. Meanwhile, the Alaska Railroad is making a profit, and I can see why! The communities through which the Railroad passes are being forced to shoulder the Railroad's financial responsibilities.

In all fairness, there should be a common ground where we can work out a compromise. We will pay our fair share, but we would also like to have input and a choice in the issue. Perhaps the yearly fee can be adjusted to cover the City's cost, or the Railroad could be responsible for some portion of them. Shared, the burden would be less damaging economically and more tolerable philosophically.

I am requesting a 10 year maintenance cost projection from Obbie Weeks in an effort to get a handle on the budgetary impact of Railroad on our community, but the fact remains that we may not be able to afford the Alaska Railroad in our town.

Sincerely,



Carleta Lewis,  
Mavor



**Fairbanks  
North  
Star  
Borough**

ATTACHMENT 1

**COPY**

Mayor: Juanita Helms

September 19, 1986

Mr. John Simpson, Director  
Standards and Technical Services  
Alaska Dept. of Transportation and  
Public Facilities  
3132 Channel Drive  
Juneau, Alaska 99801

Dear Mr. Simpson:

The Fairbanks North Star Borough has reviewed the Draft Executive Summary describing Alaska Railroad Crossing (ARRC) Policy. We have the following comments:

Section 2.2. Current permits make the road agency responsible for construction and maintenance costs associated with crossings, and makes the road agency responsible for all claims concerning the crossing. Concerning this policy; 1) who actually does the construction and maintenance of the crossing?, and 2) if it is the Railroad, how do they bill the road agency?

Page 2. When the APV was applied to the state's crossings, the Task Force found that the crossings could be upgraded with available state and federal funds. Were local crossings considered?

Section 2.3.5. The program "Operation Lifesaver" is not familiar to all readers and therefore, a short description should be included within this section of text.

Section 2.4.1. The railroad's policy of not permitting new crossings without the concurrence of the diagnostic team is concerning. While the Borough recognizes the need for maintaining safe lines, we are concerned that the diagnostic team consists of ARRC and ADOT/PF officials with the local agency being "invited to attend". Currently, much of the land use planning in

Mr. John Simpson  
September 19, 1986  
Page 3

realities in our Borough which the ARRC and Task Force must recognize and deal with accordingly before such a policy can be implemented.

Thank you for the opportunity to review and comment on this matter.

Sincerely,

Juanita Helms, Mayor  
Fairbanks North Star Borough

JH:pe

**S B**

**236**

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: State Bond Committee  
 Title: \$25,000,000 Copper River Highway  
 Revenue Bonds \_\_\_\_\_ BRU: \_\_\_\_\_  
 Sponsor: Coqhill \_\_\_\_\_ Components: \_\_\_\_\_  
 Requestor: Senate Transportation \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
<b>OPERATING</b>						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	2,433.4	2,433.4	2,433.4
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,433.4</b>	<b>2,433.4</b>	<b>2,433.4</b>
<b>CAPITAL</b>						
	0	0	0	0	0	0
<b>REVENUE</b>						
	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	2,433.4	2,433.4	2,433.4
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,433.4</b>	<b>2,433.4</b>	<b>2,433.4</b>

POSITIONS:

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

ANALYSIS: Attach a separate page for analysis.

Debt service on \$25 million revenue bonds with 30 year maturity at 9.0 percent. Fund source would be Toll Facilities Construction Fund for FY 91-92 and Toll Facilities Revenue Fund thereafter.

Prepared By: Milt Barker *MB*  
 Division: Treasury

Phone: 465-2350  
 Date: 5-2-89

Approved by Commissioner: *William B. Barker for*  
 Agency: Department of Revenue

Date: 5-2-89

Distribution: (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor

Office of Management and Budget  
 Impacted Agency(ies) \_\_\_\_\_

page \_\_\_ of \_\_\_

IN THE SENATE

BY COGHILL AND SZYMANSKI

SENATE BILL NO. 236

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act approving the issuance of revenue bonds for construction and upgrade of the Copper River highway; and providing for an effective date."

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

\* Section 1. In accordance with AS 37.15.610, the issuance of revenue bonds in an amount up to \$25,000,000 for the construction and upgrade of the Copper River highway by the Department of Transportation and Public Facilities under AS 37.15.610 - 37.15.760 is approved.

\* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE April 27, 1989  
IN ACCORDANCE WITH UNIFORM RULE 23

\*\*FISCAL NOTE(S) MUST BE ATTACHED  
IN ACCORDANCE WITH AS 24.08.035

FURTHER

FIN

3/23/89

DATE TURNED INTO OFFICE May 3, 1989

Mr. President:

TRSP Committee considered SB 236

approving the issuance of revenue bonds for construction and upgrade of the Copper River highway; efd

and recommended:

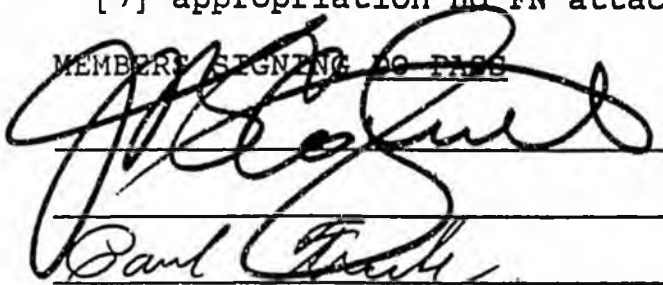
- replace with CS \_\_\_\_\_  same title
- attached amendment(s) and  new title
- \_\_\_\_\_ letter of intent adopted
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_

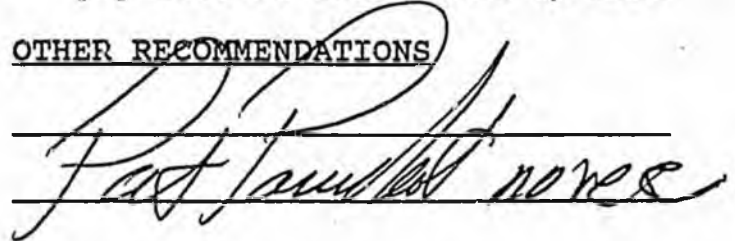
FISCAL NOTE(S) attached  zero  
 appropriation no FN attached

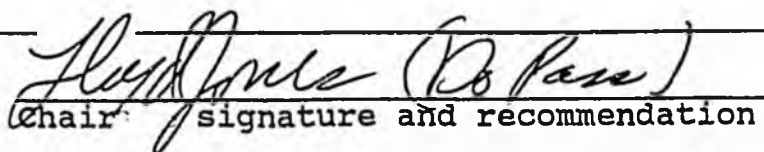
fiscal impact  
 Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
\_\_\_\_\_  
\_\_\_\_\_

  
Chair signature and recommendation

Committee backup attached

City Of Cordova  
P.O. Box 1210  
Cordova, AK. 99574  
907-424-6200

TO: Dawn % Sen Jones office FAX: 465 - 3700

FROM: City of Cordova FAX: 424-6000

NUMBER OF PAGES (excluding this cover sheet): 2

FAXED BY: City Clerk

TIME: 12:30

DATE: 5/2/89

~~★~~ Please forward  
~~★~~ immediately to  
Senator Jones office

# Cordova Chamber of Commerce

CITY CLERK  
CORDOVA, ALASKA

P.O. Box 99  
Cordova, Alaska 99574

(907) 424-7260

7|8|9|10|11|12|1|2|3|4|5|6



Honorable Governor Steve Cowper  
Office of the Governor  
Juneau, Alaska 99801

March 30, 1988

Dear Governor Cowper:

Near the turn of the century, the discovery of rich copper deposits in the Wrangell Mountains near the present town of McCarthy spurred construction of a railroad from Cordova up the Copper River to Chitina and from Chitina east through the Chitina River Valley to the Bonanza Mines. The Copper River and Northwestern Railway operated from 1911 through 1938, when the mines closed. The railroad abandoned the route and returned the right of way to the people for use as railroad, road or tramway. Before the railroad stopped operations, the Cordova Chamber began trying to have the railbed along the Copper River converted to a roadway.

The Chamber has supported this idea continuously from 1938 to the present time. This is evidence of a continuous and lasting support of the Copper River Route #10. The Cordova Chamber of Commerce remains a staunch advocate for development of the Alaska highway system. Construction of the ground transportation system of Alaska is not a luxury, it is not even optional, it is imperative for the maintenance and improvement of commerce. This alone should be sufficient economic justification for construction of the highway.

Historically the earliest trails and roads were built by subscription and maintained by tolls in Alaska. Our pioneering spirit hasn't died, although it has tarnished during the fifty year struggle with nature and man to complete the road.

Many times in the past the Cordova Chamber has called on friends in the rest of the state to add their voices to ours in calling for renewal of our ground transportation link. The Native Corporations, our neighboring Chambers, our neighboring cities once again have added their voice. The people of Alaska want to visit the North Gulf Coast, and the Cordova Chamber of Commerce as always is thankful for their continuing support. Cordova wants to take her place as a full equal amongst her neighbors; to greet her neighbors in the same friendly spirit that exists throughout the GREATLAND.

We urge you, Governor Cowper, to aid Cordova with a "build" decision for the Copper River Highway. Your assistance and support for Alaska State House of Representative Co-Resolution 46 would be one way you could express this support.

Sincerely,

*Connie Taylor*  
Connie Taylor  
President

cc: Senator Dick Eliason, Senator Willie Hensley, Senator Jan Faiks,  
Senator John Binkley, Senator Paul Fischer, Senator Rick Uehling,  
Senator Jim Duncan, Senator Fred Zharoff, Senator Lloyd Jones,  
Senator Jack Coghill, Senator Tim Kelly, Senator Mitch Abood,  
Senator Bettye Fahrenkamp

CC: Mayor

ALASKA CONFERENCE OF MAYORS

RESOLUTION NO. 88-23

A RESOLUTION OF THE ALASKA CONFERENCE OF MAYORS  
URGING THE GOVERNOR AND LEGISLATURE OF THE  
STATE OF ALASKA TO OFFICIALLY COMMIT TO THE  
COMPLETION OF THE COPPER RIVER ROAD EXTENSION TO  
CORDOVA OF THE ALASKA HIGHWAY SYSTEM.

WHEREAS, the Alaska Conference of Mayors and the Alaska Municipal League have expressed support for expansion projects of the state highway system, especially into rural areas of the state; and,

WHEREAS, the health, safety, and economic growth of many smaller communities are dependent upon adequate road access; and

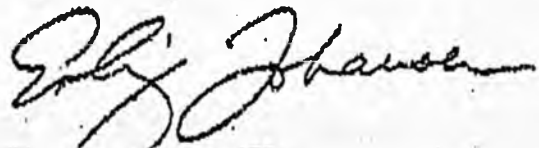
WHEREAS, Alaska Highway #10 (the Copper River Road) represents an unfulfilled commitment of 50-years-standing to restore a road access from Cordova, an Alaskan seaport, to the interior state highway system; and,

WHEREAS, completion of Alaska Highway #10 is both a symbolic and actual accomplishment that could demonstrate the sincerity of the State's commitment to economic progress and diversification within the state of Alaska; and,

WHEREAS, Alaska Highway #10 has been studied, evaluated, partially designed and constructed;

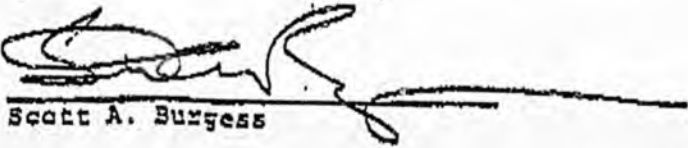
NOW, THEREFORE, BE IT RESOLVED by the Alaska Conference of Mayors that the Governor and Legislature of the State of Alaska are urged to officially commit to the completion of the Copper River Road extension to Cordova of the Alaska Highway System.

ADOPTED this 24th day of March 1988.



Erling Johansen, President  
Alaska Conference of Mayors

Attest:



Scott A. Burgess

# THE EYAK CORPORATION

FACSIMILE TRANSMISSION

THE EYAK CORPORATION  
P. O. BOX 340  
CORDOVA, AK 99574  
Fax 0 424-5161

DESTINATION CITY & COUNTRY: Sen. Jones

FAX NO: AC (907) 465-3700 DATE: 5-2-89 NO. PAGES 2

COMPANY: \_\_\_\_\_ ATTN/DEPT: \_\_\_\_\_

MESSAGE

SUBJECT: Attn: Down

Please deliver to Sen. Jones' office immediately

SENDER: SMK  
The Eyak Corporation/Cordova  
FAX NO. (907) 424-5161

IF YOU DO NOT RECEIVE ALL PAGES, PLEASE CALL (907) 424-7161



## Alaska R.O.A.D. Association

P.O. Box 535, Cordova, Alaska 99574-0535  
(907) 424-5755

May 2, 1989

Senator Lloyd Jones  
Senate Transportation Committee  
Juneau, Alaska

Dear Fellow Alaskans,

The Alaska R.O.A.D. Association is incorporated as an Alaskan Non-Profit Corporation.

The Alaska R.O.A.D. Association is an advocacy organization for the environmentally sound construction of new roads in Alaska.

Basic transportation is essential to human interaction.

Economic opportunities are enhanced regionally and locally by roads.

Road access encourages social and political interaction of Alaska's people to the benefit of all.

We urge your support of revenue bond funding for the Copper River Road project, support SB 236.

Respectfully,

A handwritten signature in black ink, appearing to read "Stephen Rehnberg", is written over a horizontal line. The signature is fluid and cursive.

Stephen Rehnberg



# Alaska State Legislature

SENATE

Official Business

P.O. Box V  
State Capitol  
Juneau, Alaska 99811

## MEMORANDUM

To: Senator Lloyd Jones  
Senate Transportation

From: Senator Cognill

Re: SB 236

Date: May 1, 1989

SB 236 authorizes the issuance of revenue bonds in an amount up to \$25,000,000 for the construction and upgrade of the Copper River Highway by the Dept. of Transportation.

Last session, the Legislature passed House Bill 101 which authorized the Dept. of Transportation to construct the Copper River Highway as a toll facility in accordance with Sec. 37.15.730 if federal discretionary highway bridge funds are authorized by the federal government for the reconstruction and repair of the Million Dollar Bridge over the Copper River and the approaches to the bridge. We also passed CSHCR 46(FIN) which requests the Governor to direct the Dept. of Transportation to construct a toll road along the Copper River via Chitina to Cordova.

The Governor allowed HB 101 to become law without his signature because Sec. 5 of the bill instructs DOT to build the Copper River Highway as a toll road, but bonding authority was not provided. SB 236 gives the necessary bonding authority to build the Copper River Highway as a toll facility.

# STATE OF ALASKA

## THE LEGISLATURE

1988

Source

CSHCR 46 (Fin)

Legislative  
Resolve No.

86



relating to a Copper River toll road.

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

WHEREAS there is currently no road to Cordova; and

WHEREAS the residents of Cordova very much want to be connected by road to other points in the state; and

WHEREAS a road to Cordova would stimulate economic development and encourage tourism in the area; and

WHEREAS the availability of both state and federal funding for road construction has decreased; and

WHEREAS the state has authority under AS 37.15.720 to construct and maintain toll roads;

BE IT RESOLVED by the Alaska State Legislature that the Governor is respectfully requested to direct the Department of Transportation and Public Facilities, subject to conditions equivalent to those applicable to the Knik Arm Crossing under AS 37.15.730(1) - (3), to construct a toll road along the Copper River via Chitina to Cordova.

— Legislative Resolve 86 —  
SLA 88

AN ACT

Relating to state toll facilities.

19.05.040(11)

\* Section 1. AS 19.05.040(11) is amended to read:

(11) establish, levy, and collect tolls, fees, charges, and rentals for the use of state roads, highways, bridges, tunnels, crossings, and causeways; and

37.15.720

\* Sec. 2. AS 37.15.720 is amended to read:

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

37.15.730

\* Sec. 3. AS 37.15.730 is amended to read:

Sec. 37.15.730. REVIEW OF TOLL FACILITY PROJECTS (KNIK ARM CROSSING). A toll facility may be financed under AS 37.15.610 - 37.15.760 (NOTWITHSTANDING THE PROVISIONS OF AS 37.15.720 THE FIRST STATE TOLL FACILITY TO BE FINANCED UNDER AS 37.15.610 - 37.15.760 IS THE KNIK ARM CROSSING NEAR ANCHORAGE) if the following conditions are met for that toll facility:

(1) the department submits to the governor and the legislature a feasibility study that finds that the toll facility (CROSSING) is financially feasible and able to produce revenue adequate to repay the bonds with which it is financed;

(2) if financing in addition to revenue bonds is required to finance the toll facility (ANTICIPATED), the department submits to

SLA 88 Chapter 165

Chapter 165

1 the governor and legislature a finance plan that includes (TO INCLUDE)  
2 an estimate of the total cost of the toll facility (PROJECT) and a  
3 description of the sources of money that will be used to finance the  
4 total cost of the toll facility (PROJECT); and

5 (3) the office of management and budget reviews the fea-  
6 sibility study and the finance plan, if required, and reports its  
7 findings and recommendations to the governor and legislature not later  
8 than 90 days after the study and plan are received by the office.

9 \* Sec. 4. AS 37.15.760(7) is amended to read:

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

37.15.760(7)

14 \* Sec. 5. The Department of Transportation and Public Facilities shall  
15 construct the Copper River highway as a toll facility in accordance with  
16 Sec. 37.15.730 if federal discretionary highway bridge funds are authorized  
17 by the federal government for the reconstruction and repair of the Million  
18 Dollar Bridge over the Copper River and the approaches to the bridge.

Eff. 9/15/88

(9) "revenue fund" means the International Airports Revenue Fund created by AS 37.15.430. (§ 1 ch 149 SLA 1972)

Revisor's notes. — Reorganized in 1988 to alphabetize the defined terms.

#### Article 4. Toll Facilities Revenue Bonds.

##### Section

610. Bond authorization  
620. Construction fund  
630. Revenue fund  
640. Bond redemption fund  
650. Bond terms  
660. Bond resolution  
670. Enforcement by holder  
680. Amounts required for payments

##### Section

690. Bond negotiability  
700. Refunding  
710. Bonds as legal investments  
720. State toll facilities  
730. Review of toll facility projects  
740. Toll facility charges  
750. Statutory construction  
760. Definitions

**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 revenue 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. Bonds may not be issued to assist in the acquisition, financing, or operation of projects without prior approval from the legislature. (§ 1 ch 162 SLA 1984)

**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 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. (§ 1 ch 162 SLA 1984)

**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. (§ 1 ch 162 SLA 1984)

**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 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. (§ 1 ch 162 SLA 1984)

**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. (§ 1 ch 162 SLA 1984)

**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. (§ 1 ch 162 SLA 1984)

**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. (§ 1 ch 162 SLA 1984)

**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. (§ 1 ch 162 SLA 1984)

**Sec. 37.15.690. Bond negotiability.** The bonds and the coupons attached to them are fully negotiable instruments under the laws of the state. (§ 1 ch 162 SLA 1984)

**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. (§ 1 ch 162 SLA 1984)

**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. (§ 1 ch 162 SLA 1984)

**Sec. 37.15.720. State toll facilities.** The state is authorized to acquire, construct, equip, and maintain toll bridges, tunnels, highways, roads, crossings, and causeways found to be necessary by the commissioner of transportation and public facilities. (§ 1 ch 162 SLA 1984; am § 2 ch 165 SLA 1988)

**Effect of amendments.** — The 1988 amendment inserted "tunnels."

**Sec. 37.15.730. Review of toll facility projects.** A toll facility may be financed under AS 37.15.610 — 37.15.760 if the following conditions are met for that toll facility:

(1) the department submits to the governor and the legislature a feasibility study that finds that the toll facility is financially feasible and able to produce revenue adequate to repay the bonds with which it is financed;

(2) if financing in addition to revenue bonds is required to finance the toll facility, the department submits to the governor and legislature a finance plan that includes an estimate of the total cost of the toll facility and a description of the sources of money that will be used to finance the total cost of the toll facility; and

(3) the office of management and budget reviews the feasibility study and the finance plan, if required, and reports its findings and recommendations to the governor and legislature not later than 90 days after the study and plan are received by the office. (§ 1 ch 162 SLA 1984; am § 3 ch 165 SLA 1988)

**Effect of amendments.** — The 1988 amendment rewrote the catchline, which read "Knik Arm Crossing," rewrote the introductory language, which read "Notwithstanding the provisions of AS 37.15.720 the first state toll facility to be

financed under AS 37.15.610 — 37.15.660 is the Knik Arm Crossing near Anchorage if the following conditions are met," substituted "toll facility" for "crossing" in paragraph (1) and, in paragraph (2), substituted "required to finance the toll facil-

ity" for "anticipated," "that includes" for "to include," and "cost of the toll facility" for "cost of the project" twice.

**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 revenue sufficient to comply with all of the covenants of the bond resolution. (§ 1 ch 162 SLA 1984)

**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. (§ 1 ch 162 SLA 1984)

**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 October 4, 1984;

(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, tunnels, crossings, and causeways upon which tolls, charges, rentals, or other user fees are placed by the commissioner of transportation and public facilities. (§ 1 ch 162 SLA 1984; am § 4 ch 165 SLA 1988)

**Effect of amendments.** — The 1988 amendment inserted "tunnels" in paragraph (7).



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

June 17, 1988

The Honorable Jan Faiks  
President of the Senate  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Senator Faiks:

On this date I have allowed the following bill to become law without my signature and am transmitting the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

SENATE COMMITTEE SUBSTITUTE FOR  
COMMITTEE SUBSTITUTE FOR  
HOUSE BILL NO. 101(Fin) am S  
(Relating to state toll facilities.)  
Chapter No. 165, SLA 1988

This legislation makes changes desired by the Department of Transportation and Public Facilities (DOT/PF) regarding toll facilities, including authorizing the construction of the Copper River highway as a toll facility if certain conditions are met and federal funds be made available. I fully agree with the purpose of the first four sections of this bill, which primarily add tunnels to the list of authorized public toll facilities since the proposed Whittier highway tunnel may later become feasible or necessary.

Most of the public's attention, however, has been focused on Section 5 of this bill. Section 5 instructs DOT/PF to build the Copper River highway as a toll road, but bonding authorization has not been provided to do so. Further, federal bridge funds would be available only if the state commits to constructing the road, but this bill makes constructing the road contingent on receipt of the federal bridge funds.

If the road is to be constructed using revenue bonds, AS 37.15.730(1) requires the department to submit a feasibility study to the Governor and the Legislature and to determine if this method is financially feasible. Also, in the event that federal bridge funds became available to the

Letter from Cowper

RE Chap 165 SLA 88

state, funding for actual construction of the road would still be subject to a positive feasibility study and subsequent bonding authorization by the Legislature.

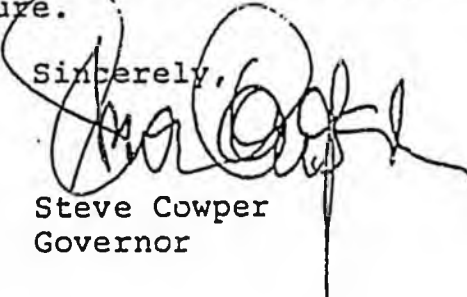
Section 5 serves little practical purpose. House Concurrent Resolution 46, relating to a Copper River toll road, passed the Legislature this year. It requests the Governor to direct DOT/PF to construct the route as a toll road. The Legislature's desire for a toll road has therefore already been expressed through this resolution.

Many people in the Cordova area evidently have been told that this legislation mandates the building of the Copper River highway. Judging from the public opinion messages I have received, there is a strong belief in some quarters that this bill is the final step in the process and that construction of the road will begin immediately.

That assumption is wrong. The Copper River highway is a major undertaking which will involve a substantial commitment of public money. Like all major public works projects, it requires a careful assessment of its benefits and burdens which cannot be made for many months. The unrealistic expectations which have been expressed by some of the proponents of the Copper River highway will probably result in frustration later, when people realize that the normal processes have not really been circumvented.

For these reasons, I am allowing SCS CSHB 101(Fin) am S to become law without my signature.

Sincerely,



Steve Cowper  
Governor

## HISTORY OF THE COPPER RIVER HIGHWAY

When the Copper River and Northwest Railroad closed in 1939, the residents of the area began working on converting the railroad bed to a highway. The railway company conveyed the railroad right-of-way to the United States in 1945. Between 1941 and 1945, 13 miles of the highway were built from Cordova to serve the new airport (now named Mudhole Smith International Airport). Territorial Representative Dimond in 1936, recommended to the Alaska Road Commission a ten year road improvement plan that included building a highway from Cordova to the Richardson Highway through the Tasnuna Canyon.

In 1946, John LaFever, a Cordova businessman and sometime Mayor of Cordova, restarted a push to convert the entire length of the right-of-way to a highway. A reconnaissance, schedule and cost estimate were completed for the conversion by the Alaska Road Commission in 1949.

In 1953, the U.S. Congress appropriated \$550,000 and the conversion was started by the Alaska Road Commission. Another \$2,400,000 was appropriated for 1954. In 1956, the Bureau of Public Roads took over the responsibility for roads in Alaska and continued the conversion to Mile 49.

The right-of-way was quitclaimed to the State of Alaska by the U.S. Department of Commerce in 1959 at the time of statehood (1959). The Alaska Department of Highways continued the conversion to Mile 59 when the 1964 earthquake occurred. The earthquake damaged many bridges along the route, some beyond repair. By this time, the route was designated as a Federal-aid Secondary (FAS) highway and numbered 851.

After the earthquake, the State of Alaska (Department of Highways) and the Federal Government (FHWA) decided to re-evaluate the project. A feasibility study was completed in 1967 which considered three alternative routes: the route to Chitina, a route up the Tasnuna River Valley and a route up the Tiekel River Valley. The study recommended the Tiekel Route as technically best, with the Tasnuna Route a close second.

After a review, by the then Department of Highways, the Tasnuna Route was chosen as the preferred alternative and the Federal and State governments decided to proceed with repairing the earthquake damages and building a road through the Tasnuna Valley to the Richardson Highway. Public hearings on the feasibility study were held in Valdez and Cordova in early 1969.

## RECOMMENDATIONS

The Northern Region of the Alaska Department of Transportation and Public Facilities (ADOT&PF) recommends completing the Copper River Highway initially as a pioneer road to Chitina leaving open the option of a secondary highway on the Chitina, Tiekel or Tasnuna routes. In preparation, ADOT&PF recommends maintenance on the portions of the Copper River Highway north of the Million Dollar Bridge that has been converted to roadway and seeking Legislative funding to do so as part of the FY 1990 budget. This would add Mileposts 49 to 72 and Mileposts 112 to 131 to the maintenance system. Additional operating funds would be required to perform this maintenance which would be at a level considerably below normal maintenance standards.

It is further recommended that the Department of Transportation and Public Facilities in conjunction with the appropriate experts from the Department of Revenue perform an in depth analysis of the toll road concept and the cost and feasibility of obtaining some form of bonding for construction. This analysis should begin as soon as possible to be able to provide the Governor and the Legislature with the data necessary to make funding decisions.

Additional coordination with the Federal Highway Administration to positively determine whether or not the cost of constructing the Copper River Highway as a pioneer access road could be eligible at a later date when upgraded to secondary standards. This work should also be done prior to the next Legislative session.

COST ESTIMATE TO OPEN A YEAR-ROUND ROAD

	<u>Road Construction Cost</u>	<u>Maintenance Camp and Maintenance Equipment Needed</u>	<u>Total Cost To Open A Year- Round Road</u>
<u>Pioneer Access</u>			
Pioneer Access Road (62 Miles) Mile 49 to Chitina	\$15,000,000	\$ 3,255,000	\$ 18,255,000
 <u>Federal-aid Secondary Highway</u>			
Wood Canyon Route (82 Miles) Mile 49 to Chitina	\$90,000,000	\$ 3,255,000	\$ 93,255,000
Tasnuna Route (64 Miles) Mile 49 to Richardson Highway	\$75,000,000	\$ 3,255,000	\$ 78,255,000
Tiekel Canyon Route (67 Miles) Mile 49 to Richardson Highway	\$70,000,000	\$ 3,255,000	\$ 73,255,000

The yearly maintenance costs have also been estimated.

YEARLY MAINTENANCE COST ESTIMATE

	<u>Yearly Seasonal Maintenance Cost</u>	<u>Yearly Year-Round Maintenance Cost</u>
Pioneer Access	\$ 600,000	\$1,200,000
Federal-aid Secondary Highway (Tasnuna, Tiekel or Wood Canyon Routes)	\$ 800,000	\$1,600,000

- D.O.T. Compendium Report -  
Cost Estimate of Road

HC 60, Box 306-T  
Copper Center, AK 99573  
April 16, 1989

APR 20 1989

Senate Transportation Committee  
Pouch V  
Juneau, AK 99811

Re: Senate Bill No. 236 - Revenue Bonds for Copper River Highway  
For the Record

Dear Committee Members:

For the following reasons, I urge you to vote a "do not pass" recommendation on SB 236 and any other legislation promoting construction of the Copper River Highway:

1) You are well aware of how acrimonious the competition for Kenai River salmon has become between commercial and sport fishermen. Can you not expect the same thing to happen with the Copper River system if a highway opens up the river to more sport fishermen? This is not a "commercial fishermen are good; sport fishermen are bad" argument. It is simply a question of why you should create an over-demand for a finite number of salmon. The state does not need more expensive lawsuits. The commercial fishermen of Cordova, already suffering from the oil spill, do not need another blow to their economic survival.

2) The Copper River extends far upstream of Chitina, where DOT studies of the Copper River Highway stop. Subsistence fisheries are important to local economies all the way upriver to Slana. These economies would be harmed by intensified sport fishing along a Copper River Highway. Again, this is not to say that one user group is better than another. It is simply that easier access will create a situation where unpleasant allocation choices will have to be made.

3) The highway would conflict with established businesses. There are several river boat operators who take sport fishermen and sightseers to sections of the Copper River which are inaccessible by the present road system. These are locally-owned businesses which contribute to the Copper River Basin economy. They would be severely impacted by highway access.

4) Alaska cannot afford this road. Considerable doubt has been cast on the credibility of DOT's estimates of construction and maintenance costs. The Chitina route in particular has long sections of steep terrain which avalanche routinely. Each of you has probably heard many complaints about inadequate repair and maintenance of existing highways. We are considering legislation which would lead to the building of yet another highway, a highway which would be very expensive to maintain. You also have a budget deficit to deal with. What will your constituents think if you cut DOT's operating budget while approving this legislation?

5) This bill would provide only partial construction funds. Where will the rest come from? Will the state get partway through this project and have to abandon it like the Seward grain terminal? Or will it find itself committed to a much more expensive venture than it bargained on, as Anchorage did with the Performing Arts Center? How will principal and interest payments of the bonds be funded?

The state, with its severe budget problems, needs your close scrutiny of the issues raised above. Perhaps a practical compromise would be to appoint a representative group of Cordovans to sit down with Marine Highway officials and work out a plan for better ferry service to Cordova at a lower cost than construction and operation of a highway.

Sincerely,

*Ruth McHenry*

Ruth McHenry

OPPOSITION LETTERS

APR 24 1989

Urgent-- Vital

SENATOR LLOYD JONES  
SENATE TRANSPORTATION CHAIRMAN  
POUCH V  
JUNEAU AK 99811

RE: SB 236

THIS IS NOT THE TIME TO BE CONSIDERING THE COPPER-RIVER HIGHWAY COMPLETION FOR SEVERAL REASONS.

1. THE COMMUNITY IS STILL SPLIT ON THIS ISSUE. THERE IS A LARGE POPULATION OUTSIDE THE MUNICIPALITY THAT IS AGAINST THE COMPLETION OF THE HIGHWAY, THAT WAS UNABLE TO VOTE IN THE CITY'S OPINION POLL AND THESE PEOPLE TURNED OUT AT THE PUBLIC MEETING TESTIFYING AGAINST THE HIGHWAY ON MAY 3, 1988, WHICH SHOWED THAT THE COMMUNITY DID NOT UNANIMOUSLY SUPPORT THE HIGHWAY.
2. THERE HAS NEVER BEEN SUFFICIENT DATA TO PROVE THE HIGHWAY WOULD BE OUR ECONOMIC SAVIOR. WHERE THERE HAS BEEN TESTIMONY GIVEN THAT THIS HIGHWAY WOULD BE DETRIMENTAL TO OUR ECOSYSTEM. I BELIEVE THAT OUR ENVIRONMENT HAS SUFFERED ENOUGH IN THE NAME OF PROFITS.
3. THAT THIS COMMUNITY HAS SUFFERED ENOUGH UNDER THE HANDS OF EXXON BY PLACATING US WITH BIG DOLLARS AND NOW BEING SPLIT FURTHER UNDER THE HANDS OF A FEW WHO THINKS THAT THEY CANNOT NOT MAKE LIVING WITHOUT A ROAD.
4. HOW CAN YOU FINANCE A HIGHWAY AT A TIME OF STATE REVENUE UNCERTAINTY. PLEASE LETS NOT BECOME MORE DEPENDENT ON THE OIL COMPANIES. LETS WORK ON BALANCING THE BUDGET AND CUTTING EXPENSES.

I AM NOT AGAINST TOURISM. I THINK OUR BIGGEST ASSET IS NOT HAVING A ROAD. WE NEED TO USE OUR ALASKAN INGENUITY AND SELL OURSELF IN A POSITIVE WAY, NOT BY MAKING OURSELF LIKE EVERYBODY ELSE.

SINCERELY,

*Geri Koechling*

GERRI KOECHLING  
P.O. BOX 533  
CORDOVA AK 99574

APR 24 1989

April 20, 1989

Lloyd Jones  
Chair  
Senate Transportation Committee  
Pouch V  
Juneau, Alaska 99811

Dear Senator Jones,

I write with reference to Senate Bill 236 regarding the Copper River Highway. I urge you to NOT PASS this bill out of committee.

The state of Alaska cannot afford the astronomical amount of money required to complete this project. There are many other areas where money would be more wisely invested,

Neither do we need another plight on the land. We are already devastated by this oil spill,

Sincerely,

Rocky Stone

Rocky Stone  
Box 83  
Cordova, Alaska 99574

April 22, 1989

APR 24 1989

Senator Lloyd Jones  
Pouch V  
Juneau, Alaska 99811

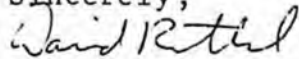
Dear Senator Jones,

I am writing this letter in regards to Senate Bill 236. I am opposed to this legislation that would complete the Copper River Highway. I have been privileged to live in Cordova since 1977. I do not believe even the rosiest forecasts of benefits will make up for the costs and problems the highway would bring to town.

The main point of this letter is to express how disturbed I am that this issue has been brought up at this time. The road issue is the most divisive one in town. This issue will only take attention away from other urgent issues that have resulted from the oil spill. Mike Szymanski and Bette Cato should not be using an ecological and possible future economic disaster to further their own agenda. They should be concentrating on helping the town unite in efforts to cope with the spill, not bringing up issues that should properly wait, and effectively dividing the community.

I hope that any promises of benefits to the town by these people, will be weighed against their narrow minded actions. The Copper River Highway is being pushed with no regard to its actual value. Please help stop this issue now, so the town can get on with its problems. The pro road people always can bring it up again at an appropriate time, when the new situation can be assessed accurately.

Sincerely,



David Rosenthal

P.O.Box 635  
Cordova, Alaska 99574

# CORDOVA MEDICAL CLINIC

Arthur D. Tilgner, M.D.

Larry A. Ermold, M.D.

Oliver S. Osborn, M.D.

P.O. Box 310  
Cordova, Alaska 99574  
(907) 424-8200

APR 20 1989

FOR THE RECORD

April 18, 1989

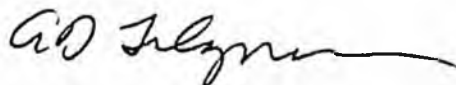
Transportation Committee  
Alaska Senate

Dear Members of the Transportation Committee:

I am urging that Senate Bill 236 NOT be passed out of the Transportation Committee. For the past few years you have received steady pressure from certain people in Cordova to proceed with the construction of the Copper River Highway. I am sure you are aware that this highway has been a devisive issue for Cordovans for many years. There have been numerous polls indicating a small majority in favor of one side or the other but never a clear mandate to proceed with the project. The last poll was cleverly rigged to allow only residents living within the City limits to vote on the issue. It is common knowledge that only about half of Cordova citizens live within the City limits and that many of those who live outside of the limits are fishermen who do not favor the road project.

We have been ravaged by the loggers when they tore up the forest and then release thousands of logs into Prince William Sound to become hazards for our boats. And now we have been ravaged by the Oil companies in recent weeks with the oil spill. Most of us in Cordova just want to keep our land clean and productive for the fish and wildlife. We are fishermen, we don't need another violation of our country by building a road to let the Winnebago pollution begin. Statements by our Mayor in favor of development of the road do not speak for many of us who live here. We DO NOT want to pay the price for the economic "shot in the arm" suggested by the pro-loaders. I assure you that many, many of us do not want this road and feel that it is being forced upon us.

Sincerely yours,



A. D. Tilgner, M.D.

**S B**

**287**

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: SR 287  
PUBLISH DATE: 4.18.89

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: DOT&PE  
Title: An Act naming the Bethel Airport Road  
the Chief Eddie Hoffman Road BRU: Maintenance & Operations  
Sponsor: Binkley Components: \_\_\_\_\_  
Requestor: McHugh

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SVCS.	-0-	.5	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	.5	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRCTRS	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	1.0	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	1.0	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	1.0	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

SEE ATTACHED

Prepared by: William E. Small Phone: 266-1440  
Division: Regional Director Date: 3/1/89  
Approved by Commissioner: [Signature] Date: 5/2/89  
Agency: DOT&PE

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor

Office of Management and Budget  
Impacted Agency(ies)

# FISCAL NOTE ANALYSIS

## SB 287

### ASSUMPTIONS

Renaming the Bethel Airport Road to "Chief Eddie Hoffman Road" would require the replacement of 15 road signs.

### PROGRAM SUMMARY

1. Positions: None required.
2. Other Expenditures: The cost for labor and materials to replace 15 road signs would be \$1,000.
3. Funding: General Funds only.
4. Section Cost Analysis: Not applicable.

### COMPUTATIONS

Each new road sign is estimated to cost approximately \$30 multiplied by 15 equals \$450. Labor to install the new road signs is estimated to cost \$550. Total estimated cost of the project is \$1,000.

### ECONOMIC IMPACT

No significant impact.

### IMPACT ON LOCAL GOVERNMENT

None.

### ATTACHMENTS

None.

IN THE SENATE

BY BINKLEY

SENATE BILL NO. 287

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act naming the Bethel Airport road the Chief Eddie Hoffman Road."

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

\* Section 1. LEGISLATIVE FINDINGS. The legislature makes the following findings:

(1) Edward Hoffman, Sr., was born April 9, 1917, in Napaimute, Alaska, spending a lifetime in the Kuskokwim Delta region;

(2) Edward Hoffman, Sr., moved to Bethel and started Hoffman Fuel Service after serving in the Alaska Territorial Guard;

(3) in 1957 when Bethel was incorporated, Edward Hoffman, Sr., was elected to the city council, served for more than 20 years, and was then elected the city's mayor;

(4) Edward Hoffman, Sr., was a founder and the lifetime traditional chief of the Association of Village Council Presidents;

(5) Edward Hoffman, Sr., also served as the president of the Bethel Native Corporation, and as a board member of Calista Corporation, Bethel Broadcasting, Yutgak Corporation, and Yukon Kuskokwim Health Corporation;

(6) Edward Hoffman, Sr., also served as the chair of the Orutsaramuit Native Council and was a founding member of the Kuskokwim Valley Association;

(7) it would be fitting to remember and honor Edward Hoffman, Sr.'s tireless efforts on the part of the people of the Kuskokwim Delta by naming the Bethel Airport road the Chief Eddie Hoffman Road.

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\* Sec. 2. AS 35.40 is amended by adding a new section to read:

Sec. 35.40.035. CHIEF EDDIE HOFFMAN ROAD. The Bethel Airport road is named the Chief Eddie Hoffman Road.

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE April 27, 1989  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

FINANCE

\*\*FISCAL NOTE(S) MUST BE ATTACHED  
IN ACCORDANCE WITH AS 24.08.035

4/18/89

DATE TURNED INTO OFFICE May 3, 1989

Mr. President:

TRANSPORATION

Committee considered

SB 287

naming the Bethel Airport road the Chief Eddie Hoffman Road

and recommended:

replace with CS \_\_\_\_\_  same title

attached amendment(s) and  new title

\_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

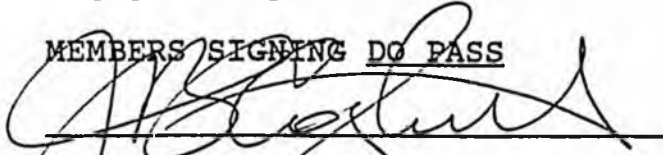
further referral to \_\_\_\_\_

FISCAL NOTE(S) attached  zero  
 appropriation no FN attached

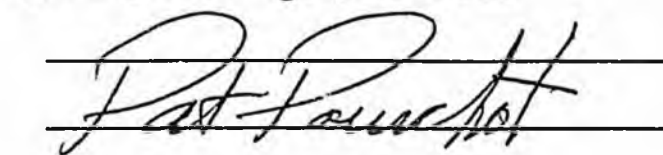
fiscal impact  
 Gov. FN introduced w/ bill

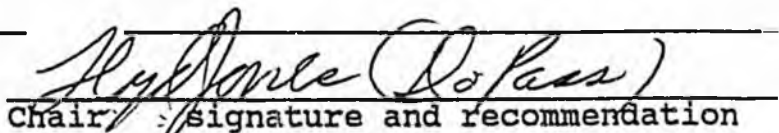
MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS







  
Chair's signature and recommendation

Committee backup attached

# Senator John Binkley

---

Senate Finance Committee  
P.O. Box V • Juneau, Alaska 99811 • (907) 465-4985




Finance Committee  
Co-Chairman

APR 26 1989

April 25, 1989

## MEMORANDUM

TO: Senator Lloyd Jones, Chairman  
Senate Transportation Committee

FROM: Senator John Binkley 

RE: SB 287, naming the Bethel Airport Road the Chief Eddie Hoffman Road

---

I introduced this bill on April 18 and it was referred to your committee. It's very straightforward. It would rename the road from the Bethel airport to town after Chief Eddie Hoffman. Chief Eddie was a statesman of the Yup'ik Eskimos in the the Delta until his death in 1966. Naming this road after him seems like a fitting tribute.

I know it's late in the session but I would greatly appreciate your scheduling this bill for a hearing prior to adjournment. Please contact Janice Adair in my office (4985) if you have any questions, or to let us know when the bill will be heard. Thank you.

April 28, 1989

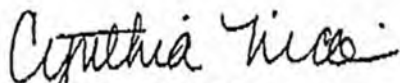
Senator John Binkley  
P.O. Box V  
Juneau, Alaska 99802

Dear Mr. Binkley

Eddie Hoffman Sr. did alot for the people of the Delta, alot more than I myself could only dream about. He had helped us in so many ways, both the young and old, rich or poor. In naming the Bethel road, we would only be naming a small part of our Delta. He deserves alot more then what we are now asking, in naming the Bethel road after him.

I fully support Bill #287 to change the Bethel Airport Highway to Chief Eddie Hoffman Highway.

Sincerely,



Cynthia Nicori  
Bethel, Alaska

April 28, 1989

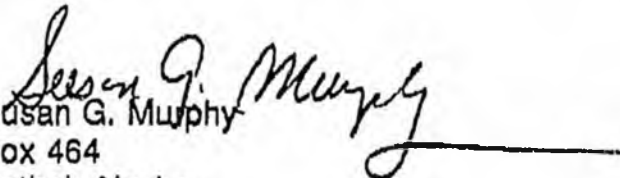
Senator John Binkley  
Alaska State Senate  
P. O. Box "V"  
Juneau, Alaska 99811

Dear Senator Binkley,

I am writing in support of your proposed legislation to change the name of the Bethel Airport Highway to the Chief Eddie Hoffman Highway. As you are aware, Chief Eddie served his people well during his lifetime, as a member of the Bethel City Council, the Bethel Native Corporation, the Kuskokwim Valley Native Corporation, the Association of Village Council Presidents, the Callista Board of Directors, the RuralCap Board of Directors (to name a few) and as the first traditional chief of the AVCP region. While serving as a member of these organizations, Eddie was not silent, but vigorously and continuously advocated for his people even when his stand was not popular.

It would be a fitting memorial to Chief Eddie to name the airport highway after him.

Sincerely,

  
Susan G. Murphy  
Box 464  
Bethel, Alaska

PO. Box 1882  
Bethel, Alaska  
April 28, 1989

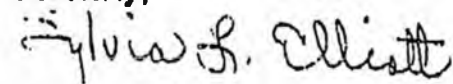
Honorable Senator John Binkley  
P. O Box V  
Bethel, Alaska 99559

Dear John:

I'm writing to express my full support of SB#287 to change the Bethel Airport Highway to Chief Eddie Hoffman Highway. This is one small way that we can pay official tribute to Chief Eddie who worked long and hard on behalf of all of us who have the privilege of living in the Delta.

Please do not hesitate to contact me personally if I can be of additional assistance in providing support of SB#287.

Cordially,

  
Sylvia Elliott

Honorable Senator John Binkley  
P. O Box V  
Bethel, Alaska 99559

APRIL 28 1989

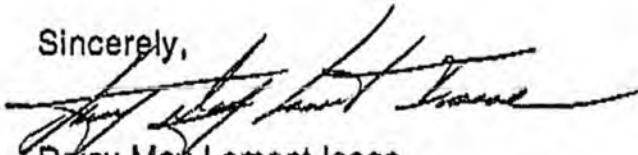
Dear Senator Binkley:

I Daisy May Lamont Isaac am in full support of the Bill # SB 287 to change the Bethel Airport Highway to Chief Eddle Hoffman.

It is only fitting and proper that official recognition and tribute be paid to Chief Hoffman and his family for the many years he served so tirelessly and unselfishly for the people in the Delta. This is the least that we can do.

Thank you for your introduction of this bill. Keep up your good work!

Sincerely,



Daisy May Lamont Isaac

April 28, 1989

Senator John Binkley  
P.O. Box V  
Juneau, Alaska 99811

Dear Senator Binkley:

Thank you for introducing Bill # 287 to change the Bethel Airport Highway to Chief Eddie Hoffman Highway.

In the hearts of the Yup'k peoples of this area, Chief Hoffman was a great native leader and is still sorely missed. Yes, Bethel has been very quiet since his passing.

For years the Chief, even as a young man, gave of himself tirelessly and unselfishly to service his people. Many times giving up his own personal and family life to pursue better "ways" to improve the life style, the culture and was a strong advocate for the rights of his people. I know, personally, the Chief helped many, many people not only giving them money when they need it or food when there was nothing on the table for the children to eat. His people came first and therefore I am in full support of Bill #287.

Thank you again, not only for introducing this bill, but also for taking care of this area.

Sincerely,

*Bea Kristovich*

Bea Kristovich  
940 Front Street  
P.O. Box 562  
Bethel, Alaska 99559

I am in support of SB287 to  
rename the Highway to Chief  
Eddie Hoffman Highway.

Alom Ananias - Bethel

Changing the name of the Airport Highway  
to the Chief Eddie Huffman <sup>Highway</sup> sounds like  
a good gesture. My recommendation  
would be to repair it first, before  
the name change.

Betty Huffman  
Betty Huffman  
L.K.S.D.  
Bethel.

I support this proposal &  
would like to see it passed

- 1) Robert G. Johnson  
Bethel, 4-28-89
- 2) Cory Anderson 4-28-89 (Bethel)
- 3) Sharon A. Samuelson 4-28-89 Bethel
- 4) Joann Hawk 4-28-89 (Bethel)

---

ADDITIONAL SIGNATURES OF SUPPORT

SB 287 | Eddie Hoffman Road

**S B**

**300**

MAR 19 1990



RESOLUTION 90-10



HOUSTON, ALASKA  
A BICENTENNIAL COMMUNITY

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HOUSTON, ALASKA SUPPORTING THE ELIMINATION OF THE ALASKA RAILROAD CORPORATIONS PROPERTY TAX LIABILITY EXEMPTION.

-----

WHEREAS, Alaska State Statute 42.40.910 grants the real and personal property of the Alaska Railroad an exemption from all taxes and special assessments by the State and municipalities; and

WHEREAS, the Railroad directly and indirectly competes with private carriers in the transportation of goods along the railbelt; and

WHEREAS, the private carriers are liable for the payment of taxes to the State and municipalities; and

WHEREAS, these tax payments place the other carriers at a relative disadvantage vis a vis the Alaska Railroad; and

WHEREAS, this tax disadvantage distorts the allocation of society's resources from the most efficient mix possible; and

WHEREAS, the Alaska Railroad's property interest benefits from services provided from the local government; and

WHEREAS, the Alaska Railroad does not reimburse the local government for any of these benefits which, in fact, the Railroad is increasing fees charged to local governments for use of its right-of-ways and leasehold interests; and

WHEREAS, this disparity places an unfair burden on the local taxpayers; and

WHEREAS, a private railroad would not enjoy tax exempt status.

NOW, THEREFORE, BE IT RESOLVED that the Alaska State Statute 42.40.910 be amended to read as follows:

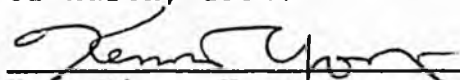
A.S. 42.40.910. "Exemptions from taxation. (a) The exercise of the powers granted by this chapter shall be in all respects for the benefit of the people of the state, for

Resolution 90-10

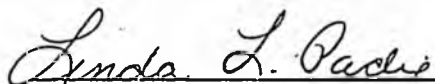
Page 2

their well being and prosperity, and for the improvement of their social and economic conditions. [Subject to (b) of the section the) The real and personal property of the corporation shall be liable for property taxes levied by a Municipality. [And its assets] Its income and receipts are exempt from all taxes [and special assessments] of the State or a political subdivisions of the State."

ADOPTED by a duly constituted quorum of the City Council of Houston, Alaska this 13th day of March, 1990.

  
\_\_\_\_\_  
Kenneth Young,  
Deputy Mayor Pro-Tem

ATTEST:

  
\_\_\_\_\_  
Linda L. Padie, City Clerk

# Alaska State Legislature

3111 C Street, Suite 150  
Anchorage, Alaska 99503  
(907) 561-2038

During Session:  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-4993

Senator Drue Pearce  
District G

TO: Senator Senate T *Sen. Pearce*  
FROM: Senator *staff asked*  
RE: Request Alaska F *to postpone* Municipalities  
DATE: January *hearing*

Senate Transporta  
Senate Bill 300, i  
this bill at the *referral for  
be scheduled for*

The Alaska Railroad Corporation (ARRC) is a public corporation with a legal existence independent of and separate from the state. The ARRC holds substantial interests in real and personal property which are currently not subject to property taxes imposed by municipalities.

On Friday, April 21, 1989, I introduced this bill which will allow imposition of taxes by municipalities upon the assets of the ARRC by exempting that corporation from the exemption granted to property of the state in Article IX, Section 4 of the Constitution of the State of Alaska. The companion bill in the House is HB 294 by the Finance Committee.

As an example of the positive fiscal impacts to municipalities with ARRC property interests within their boundaries, the Assessor for the Municipality of Anchorage estimates the value of the ARRC real and personal business property within the Municipality to be \$66,679,900 using market rates. At an average mill rate of 15 mills, this would generate revenues of approximately \$1,000,000 for Anchorage.

Information from other communities which could receive benefits is currently being compiled and will be available for distribution soon.

Jo Fenety of my staff is the contact on this bill.

DP:jf



MAR 15 1990

March 8, 1990

Senator Lloyd Jones  
Room 9, Capitol  
P. O. Box V  
Juneau, Alaska 99811

Dear Senator Jones:

Enclosed for your information is a copy of Resolution #9018 adopted by the Valdez City Council on March 5, 1990. This resolution supports the elimination of the Alaska Railroad Corporation's Property Tax Liability Exemption.

We would appreciate your support in this effort.

Yours truly,

*Jeanne Donald*

Jeanne Donald  
City Clerk

Enclosure

CITY OF VALDEZ, ALASKA

RESOLUTION NO. 9018

A RESOLUTION OF CITY COUNCIL OF THE CITY OF VALDEZ,  
ALASKA, SUPPORTING THE ELIMINATION OF THE ALASKA RAILROAD  
CORPORATION'S PROPERTY TAX LIABILITY EXEMPTION

WHEREAS, Alaska State Statute 42.40.910 grants the real and personal property of the Alaska Railroad an exemption from all taxes and special assessments by the State and municipalities; and

WHEREAS, the Railroad directly and indirectly competes with private carriers in the transportation of goods along the railbelt; and

WHEREAS, the private carriers are liable for the payment of taxes to the State and municipalities; and

WHEREAS, these tax payments place the other carriers at a relative disadvantage vis a vis the Alaska Railroad; and

WHEREAS, this tax disadvantage distorts the allocation of society's resources from the most efficient mix possible; and

WHEREAS, the Alaska Railroad's property interest benefits from services provided from the local government; and

WHEREAS, the Alaska Railroad does not reimburse the local government for any of these benefits which, in fact, the Railroad is increasing fees charged to local governments for use of its right-of-ways and leasehold interests; and

WHEREAS, this disparity places an unfair burden on the local taxpayers; and

WHEREAS, a private railroad would not enjoy tax exempt status.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that

Section 1. The City of Valdez supports the amendment of Alaska State Statute 42.40.910 to read as follows:

A.S. 42.40.910. "Exemptions from taxation. (a) The exercise of the powers granted by this chapter shall be in all respects for the benefit of the people of the state, for their well-being and prosperity, and for the improvement of their social and economic conditions. [Subject to (b) of this section the] The real and personal property of the corporation shall be liable for property taxes levied by a Municipality.


[And its assets] Its income and receipts are exempt from all taxes [and special assessments] of the State or a political subdivision of the State."

Section 2. That this resolution is effective upon passage and approval.

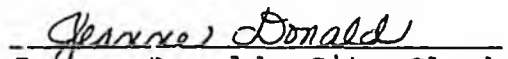
Section 3. That copies of this resolution shall be sent to the governor of the State of Alaska and the President and CEO of the Alaska Railroad Corporation, Senator Lloyd Jones Chairman of the Senate Transportation Committee, Representative Eileen MacLean Chairman of the House Community and Regional Affairs Committee, Representative Eugene Kubina, Senator Mike Szymanski, Senator Jay Kerttula and the Alaska Municipal League.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 5th day of March, 1990.

CITY OF VALDEZ, ALASKA

  
\_\_\_\_\_  
Lynn Chrystal, Mayor

ATTEST:

  
\_\_\_\_\_  
Jeanne Donald, City Clerk



MAR 05 1990

Introduced by: Council Member Hayes  
Date: February 26, 1990

RESOLUTION NO. 3157

A RESOLUTION OF THE CITY OF FAIRBANKS SUPPORTING  
ALASKA LEGISLATURE SENATE BILL NO. 300

WHEREAS, Alaska State Statute 42.40.910 grants the real and personal property of the Alaska Railroad an exemption from all taxes and special assessments by the State and municipalities; and

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WHEREAS, this disparity places an unfair burden on the local taxpayers; and

WHEREAS, a private railroad would not enjoy tax exempt status.

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

**S B**

**300**

MAR 19 1990



RESOLUTION 90-10



HOUSTON, ALASKA  
A BICENTENNIAL COMMUNITY

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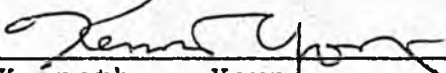
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Resolution 90-10

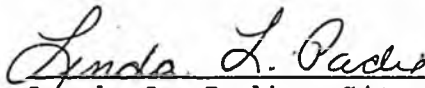
Page 2

their well being and prosperity, and for the improvement of their social and economic conditions. [Subject to (b) of the section the) The real and personal property of the corporation shall be liable for property taxes levied by a Municipality. [And its assets] Its income and receipts are exempt from all taxes [and special assessments] of the State or a political subdivisions of the State."

ADOPTED by a duly constituted quorum of the City Council of Houston, Alaska this 13th day of March, 1990.

  
\_\_\_\_\_  
Kenneth Young,  
Deputy Mayor Pro-Tem

ATTEST:

  
\_\_\_\_\_  
Linda L. Padie, City Clerk

# Alaska State Legislature

3111 C Street, Suite 150  
Anchorage, Alaska 99503  
(907) 561-2038

During Session:  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-4993

**Senator Drue Pearce**  
District G

## MEMORANDUM

TO: Senator Lloyd Jones, Chairman  
Senate Transportation Committee

FROM: Senator Drue Pearce *Drue Pearce*

RE: Request for Hearing  
Alaska Railroad Property Taxation by Municipalities

DATE: January 16, 1990

Senate Transportation is the first committee of referral for Senate Bill 300, and I request that a hearing be scheduled for this bill at the earliest possible opportunity.

The Alaska Railroad Corporation (ARRC) is a public corporation with a legal existence independent of and separate from the state. The ARRC holds substantial interests in real and personal property which are currently not subject to property taxes imposed by municipalities.

On Friday, April 21, 1989, I introduced this bill which will allow imposition of taxes by municipalities upon the assets of the ARRC by exempting that corporation from the exemption granted to property of the state in Article IX, Section 4 of the Constitution of the State of Alaska. The companion bill in the House is HB 294 by the Finance Committee.

As an example of the positive fiscal impacts to municipalities with ARRC property interests within their boundaries, the Assessor for the Municipality of Anchorage estimates the value of the ARRC real and personal business property within the Municipality to be \$66,679,900 using market rates. At an average mill rate of 15 mills, this would generate revenues of approximately \$1,000,000 for Anchorage.

Information from other communities which could receive benefits is currently being compiled and will be available for distribution soon.

Jo Fenety of my staff is the contact on this bill.

DP:jf

*Sen. Pearce  
staff asked  
to postpone  
hearing.*



MAR 15 1990

March 8, 1990

Senator Lloyd Jones  
Room 9, Capitol  
P. O. Box V  
Juneau, Alaska 99811

Dear Senator Jones:

Enclosed for your information is a copy of Resolution #9018 adopted by the Valdez City Council on March 5, 1990. This resolution supports the elimination of the Alaska Railroad Corporation's Property Tax Liability Exemption.

We would appreciate your support in this effort.

Yours truly,

*Jeanne Donald*

Jeanne Donald  
City Clerk

Enclosure

CITY OF VALDEZ, ALASKA

RESOLUTION NO. 9018

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WHEREAS, the Alaska Railroad does not reimburse the local government for any of these benefits which, in fact, the Railroad is increasing fees charged to local governments for use of its right-of-ways and leasehold interests; and

WHEREAS, this disparity places an unfair burden on the local taxpayers; and

WHEREAS, a private railroad would not enjoy tax exempt status.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that

Section 1. The City of Valdez supports the amendment of Alaska State Statute 42.40.910 to read as follows:

A.S. 42.40.910. "Exemptions from taxation. (a) The exercise of the powers granted by this chapter shall be in all respects for the benefit of the people of the state, for their well-being and prosperity, and for the improvement of their social and economic conditions. [Subject to (b) of this section the] The real and personal property of the corporation shall be liable for property taxes levied by a Municipality.

CITY OF VALDEZ  
RESOLUTION NO. 9018  
Page 2

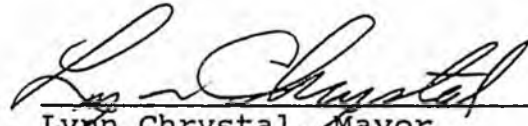
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Section 2. That this resolution is effective upon passage and approval.

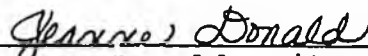
Section 3. That copies of this resolution shall be sent to the governor of the State of Alaska and the President and CEO of the Alaska Railroad Corporation, Senator Lloyd Jones Chairman of the Senate Transportation Committee, Representative Eileen MacLean Chairman of the House Community and Regional Affairs Committee, Representative Eugene Kubina, Senator Mike Szymanski, Senator Jay Kerttula and the Alaska Municipal League.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 5th day of March, 1990.

CITY OF VALDEZ, ALASKA

  
\_\_\_\_\_  
Lynn Chrystal, Mayor

ATTEST:

  
\_\_\_\_\_  
Jeanne Donald, City Clerk



MAR 05 1990

Introduced by: Council Member Hayes  
Date: February 26, 1990

RESOLUTION NO. 3157

A RESOLUTION OF THE CITY OF FAIRBANKS SUPPORTING  
ALASKA LEGISLATURE SENATE BILL NO. 300

WHEREAS, Alaska State Statute 42.40.910 grants the real and personal property of the Alaska Railroad an exemption from all taxes and special assessments by the State and municipalities; and

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WHEREAS, the Alaska Railroad does not reimburse the local government for any of these benefits which, in fact, the Railroad is increasing fees charged to local governments for use of its right-of-ways and leasehold interests; and

WHEREAS, this disparity places an unfair burden on the local taxpayers; and

WHEREAS, a private railroad would not enjoy tax exempt status.

NOW, THEREFORE, THE CITY OF FAIRBANKS CITY COUNCIL resolves:


Section 1 That Alaska State Statute 42,40.910 be amended to read as follows:

A.S. 42.40.910 "Exemptions from taxation. (a) The exercise of the powers granted by this chapter shall be in all respects for the benefit of the people of the state, for their well-being and prosperity and for the improvement of their social and economic conditions. (Subject to (b) of this section the) The real and personal property of the corporation shall be liable for property taxes levied by a Municipality. [And its assets] Its income and receipts are exempt from all taxes [and special assessments] of the State or a political subdivision of the State."

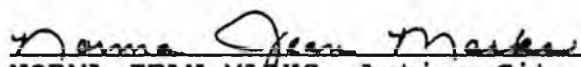
Section 2 That this resolution is effective upon passage and approval.

Section 3 That copies of the resolution shall be sent to the Governor of the State of Alaska and the President and CEO of the Alaska Railroad Corporation and all members of the Alaska State Legislature.

PASSED AND APPROVED by the City of Fairbanks City Council this 26th day of February, 1990.

  
\_\_\_\_\_  
J.D. NORDALE, Mayor

ATTEST:

  
\_\_\_\_\_  
NORMA JEAN MARKS, Acting City Clerk

**S B**

**310**

**FILE 1**

January 15, 1990

Discuss Differences between SB 310 and the existing Railroad Corporation Title 42 Chapter 40.

Amendment 1

Who will the Labor groups negotiate with given Executive Order 77?

Need a provision specifying who does the labor negotiations. which may read as follows:

Page 4 Line 6

authority and conduct labor negotiations with employees; [the authority may also designate a representative to negotiate with the employees on behalf of the authority.]

Amendment 2

Revise 23.40.040

Need to include in that section a provision revising 23.40.040 which may be carried out by replacing "commisioner of T&PF" with "Alaska Marine Highway Authority Board of Directors."

Amendment 3

Staggered Terms: Lines 12-18

Problem?! Is this a seven member board or a six member board? Commissioner? Replace paragraph (b) with the following which includes a reference to Title 39.05.055.

"Directors shall be appointed by the Governor and will serve terms according to the provisions of AS ~~23.05.050~~"

Amendment 4

Additional language on page two after (b) [Members of the authority may be removed by the governor only for cause.]

General questions:

Line 11-12 "with a legal existence independent of and separate from the state government." Check line 13 " the exclusive STATE AGENCY"

Why line 20-21 on page 1?

Draft all the amendments in form. Ready by Wednesday if possible.

*Like advisory*

*consider*

*terms change*

1 IN THE SENATE BY THE TRANSPORTATION COMMITTEE

2 SENATE BILL NO. 310

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to ferries and ferry terminals and  
7 establishing the Alaska Marine Highway Authority."

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

9 \* Section 1. PURPOSE. The purpose of this Act is to establish an  
10 authority for the operation, management, planning, and construction of  
11 facilities for the marine highway system with a legal existence (independent  
12 of and separate from the state government.) The authority shall be the  
13 exclusive state agency directly associated with the operation, management,  
14 planning, and construction of facilities for the marine highway system.

15 \* Sec. 2. AS 19 is amended by adding a new chapter to read:

16 CHAPTER 70. ALASKA MARINE HIGHWAY AUTHORITY.

17 ARTICLE 1. CREATION AND ORGANIZATION.

18 Sec. 19.70.010. ALASKA MARINE HIGHWAY AUTHORITY. The Alaska  
19 Marine Highway Authority is established. The authority is a public  
20 corporation of the state. The corporation is an instrumentality of ?  
21 the state in the Department of Transportation and Public Facilities  
22 but has a legal existence independent of and separate from the state  
23 and has continuing succession until its existence is terminated by  
24 law.

25 Sec. 19.70.020. DIRECTORS. (a) The authority consists of seven  
26 directors. One director is the commissioner of transportation and  
27 public facilities and six directors are appointed by the governor.  
28 The six appointed members must be state residents except as provided  
29 in (1) of this subsection. One appointed member shall be a

1 representative of the tourist industry who meets one of the require-  
2 ments under (1) - (4) of this subsection, and one shall be a represen-  
3 tative of the commercial carriers who meets one of the requirements  
4 under (1) - (4) of this subsection. Appointed members shall include

5 (1) a representative of the maritime industry; a person who  
6 is not a state resident may be appointed under this paragraph;

7 (2) a member of a maritime union;

8 (3) two residents of Southeast Alaska;

9 (4) a resident of the Gulf of Alaska area west of Icy Cape;

10 and

11 (5) a person who represents the interests of the public.

12 (b) The appointed directors serve at the pleasure of the gover-  
13 nor for (four-year terms.) (Each director shall hold office for the term  
14 of the director's appointment and until a successor is appointed and  
15 qualified.) A director is qualified for reappointment. A vacancy in a  
16 directorship occurring other than by expiration of term shall be  
17 filled in the same manner as the original appointment but only for the  
18 unexpired term.

19 (c) The directors shall comply with the requirements of AS 39.50  
20 (Conflict of Interest). Each director before entering upon the direc-  
21 tor's duties shall subscribe to an oath to perform the duties of  
22 office faithfully, impartially, and justly to the best of the direc-  
23 tor's ability. A record of the oath shall be filed with the Office of  
24 the Governor.

25 (d) An appointed director is entitled to compensation at a rate  
26 of \$300 for each day the director is engaged in actual performance of  
27 duties under this chapter. The authority may provide by regulation  
28 for compensation for partial days for an appointed director. In  
29 addition, an appointed director is entitled to travel and per diem

1 expenses authorized by law for state boards and commissions under  
2 AS 39.20.180.

3 Sec. 19.70.030. OFFICERS AND QUORUM. The directors shall elect  
4 one of their number as chair. The directors shall elect a secretary  
5 and a treasurer who need not be directors, and the same person may be  
6 elected to serve both as secretary and treasurer. The powers of the  
7 authority are vested in the directors, and four voting directors of  
8 the authority constitute a quorum. Except as provided in AS 19.70.-  
9 050(7), action may be taken and motions and resolutions adopted by the  
10 authority at a meeting by the affirmative vote of at least four direc-  
11 tors. A vacancy in the directorship of the authority does not impair  
12 the right of a quorum to exercise all the powers and perform all the  
13 duties of the authority.

14 Sec. 19.70.040. STAFF. The authority shall employ a chief  
15 executive officer who serves at the pleasure of the authority. The  
16 chief executive officer may, with the approval of the authority,  
17 select and employ additional staff as necessary, including additional  
18 administrative officers. All officers and employees of the authority  
19 are in the exempt service under AS 39.25.110. In addition to its  
20 staff of employees, the authority may contract for and engage the ser-  
21 vices of consultants and professional, technical, and financial advi-  
22 sors the authority considers necessary for the purpose of developing  
23 information, conducting hearings, studies, investigations, or other  
24 proceedings, or otherwise exercising its powers.

25 ARTICLE 2. POWERS AND DUTIES.

26 Sec. 19.70.050. POWERS OF AUTHORITY. In addition to other  
27 powers granted in this chapter, the authority may

- 28 (1) sue and be sued;  
29 (2) adopt and alter an official seal;

1 (3) adopt and enforce bylaws and regulations for the con-  
2 duct of its business and for the use of its services and facilities;

3 (4) maintain offices at a place in the state and at places  
4 out of the state that are served by the marine highway system;

5 (5) establish terms and conditions of employment by the  
6 authority (and) conduct labor negotiations with employees;

7 (6) subject to appropriation by the legislature, acquire,  
8 hold, use, and dispose of its income, revenues, funds, and money;

9 (7) acquire, hold, use, lease, rent, construct, and dispose  
10 of personal property for its purposes, except that the authority may  
11 dispose of a ferry only on approval of at least five of its directors;

12 (8) acquire, hold, use, lease, or rent real property and  
13 dispose of real property under AS 19.70.100;

14 (9) operate, maintain, improve, and extend a system of  
15 ferries connecting with the public roads and highways of the state and  
16 including the boats, vessels, wharves, docks, approaches, landings,  
17 and appurtenances the authority determines to be necessary or desir-  
18 able for safe and efficient operation of the ferry system so as to  
19 best serve the public;

20 (10) do all acts and things necessary, convenient, or desir-  
21 able to carry out the powers expressly granted or necessarily implied  
22 in this chapter;

23 (11) establish rates and tariffs, after public hearings;

24 (12) modify routes, after public hearings.

25 Sec. 19.70.055. DUTIES OF AUTHORITY. The authority shall

26 (1) assist the residents, businesses, and communities of  
27 the state in obtaining the best and most frequent possible marine  
28 passenger and freight service;

29 (2) schedule vessel sailings to maximize the frequency of

*Authority  
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1 service to all ports;

2 (3) encourage and integrate with other public and private  
3 carriers to the greatest extent possible to provide ferry service  
4 within the state and between Alaskan ports and ports outside the state  
5 in order to provide maximum service within the state;

6 (4) require a non-refundable deposit for reservations;

7 (5) provide reservation access and marketing information  
8 throughout the state;

9 (6) encourage vessel construction, maintenance, and service  
10 in the state to the greatest extent possible;

11 (7) employ residents of the state to the greatest extent  
12 legally possible;

13 (8) recognize Alaska-based unions and employee associations  
14 to the greatest extent legally possible.

15 Sec. 19.70.060. USE OF NAME AUTHORIZED. The authority is auth-  
16 orized to operate its ferry system under the name "Alaska Marine  
17 Highway System".

18 Sec. 19.70.070. COMPREHENSIVE LONG-RANGE PLAN. The authority,  
19 with the cooperation of the Department of Transportation and Public  
20 Facilities, shall prepare a comprehensive long-range plan for the  
21 development and improvement of the marine highway system and shall  
22 revise and update the plan at least every five years. The comprehen-  
23 sive long-range plan and revisions and updates of the plan are subject  
24 to legislative approval by law.

25 ARTICLE 3. ACQUISITION OF PROPERTY.

26 Sec. 19.70.080. ACQUISITION OF LAND AND EASEMENTS. The authori-  
27 ty, as part of the cost of constructing, maintaining, or improving the  
28 marine highway system, may acquire by purchase, gift, or exchange land  
29 in fee simple or easements that it considers necessary and reasonable

*What does  
this mean?*

1 for either temporary or permanent public use. By the same means, the  
2 authority may obtain material, including clay, gravel, sand, or rock,  
3 or the land necessary to obtain the material, including access to it.  
4 The authority may acquire the land or materials notwithstanding the  
5 fact that title to it is vested in the state or a department, agency,  
6 commission, or institution of the state.

7 Sec. 19.70.090. AUTHORITY TO PURCHASE PROPERTY FOR THE PURPOSE  
8 OF EXCHANGE. When a majority of the directors of the authority de-  
9 clares that it is in the best public interest of the state, the au-  
10 thority may acquire by purchase, gift, or exchange privately or pub-  
11 licly owned land or an interest in land for the purpose of exchanging  
12 the land for privately or publicly owned land that the authority is  
13 authorized by law to acquire.

14 Sec. 19.70.100. DISPOSAL OF LAND OR RIGHTS IN LAND. (a) The  
15 authority may vacate land or rights in land acquired for use in the  
16 marine highway system by executing and filing a deed in the approp-  
17 riate recording district. Upon vacating, title reverts to the per-  
18 sons, heirs, successors, or assigns in whom it was vested at the time  
19 of the taking.

20 (b) The authority may transfer land not considered necessary for  
21 use in the marine highway system to the Department of Natural Re-  
22 sources for disposal. The proceeds of disposal by the Department of  
23 Natural Resources shall be credited to the funds from which the pur-  
24 chase was originally made.

25 ARTICLE 4. FERRY TERMINAL FACILITIES.

26 Sec. 19.70.110. ACQUISITION AND MAINTENANCE OF FERRY TERMINAL  
27 FACILITIES. The authority may construct, purchase, or lease ferry  
28 terminal facilities at locations it selects for the loading and un-  
29 loading of passengers and vehicles under their own power, on and off