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House Votes to Authorize G.O. Bond Package HB 524, 525, 528 Fund Port, School, Deferred Maintenance Needs

(JUNEAU) – The House today passed a package of general obligation bond and debt reimbursement bills providing \$445.1 million to address state needs for new and refurbished school and University buildings, rural energy projects, port and harbor improvements, and a variety of other deferred maintenance projects.

Sponsored by the House Finance Committee, House Bill 524, 525 and 528 collectively represent the Legislature's significant commitment to provide for the capital infrastructure needs of Alaskans throughout the state, said Rep. Eldon Mulder (R-Anchorage) co-chair of the committee.

“As a relatively young state, Alaska continues to have real needs for the basic bricks and mortar projects that support our education, transportation and utility infrastructure,” Mulder said. “General obligation bonds are the time-honored method states use to build the facilities that citizens want and need today, while spreading the cost out over many years.”

[House Bill 524](#) would provide for \$152.9 million in general obligation bonds to fund construction of educational facilities, including new schools in urban and rural Alaska, University of Alaska projects at nine regional campuses. These projects include:

- \$103.5 for school facilities in Tuluksak, Akiak, Scammon Bay, Teller, Anchorage, the Matanuska-Susitna Borough and Fairbanks
- \$44.4 million for projects on the University of Alaska campuses in Fairbanks, Anchorage, Juneau, Homer, Valdez, Kenai, Sitka, Homer and Ketchikan; plus a portion of a museum expansion project in Anchorage

[House Bill 525](#) would provide for \$199.5 million in general obligation bonds to fund major deferred maintenance projects – those renovations and improvements to facilities necessary to preserve the permanence of the facilities - including schools, University of Alaska facilities, state-owned docks and harbor facilities and state owned buildings. These projects include:

- \$113.5 million for 81 school projects around the state, including those that the Department of Education and Early Development has approved and placed on its major maintenance project list

(MORE)

- \$5.6 million to repair facilities on University campuses in Valdez, Palmer, Ketchikan, Kodiak, Fairbanks, Kotzebue, Nome and Bethel
- \$31.9 million to refurbish docks and harbor facilities in Whittier, Seldovia, Juneau, Ketchikan, Sitka, Cordova, Wrangell, Yakutat and Klawock
- \$48.5 million to repair various state buildings throughout Alaska, including Pioneers' Homes, youth facilities, prisons, public safety buildings and court facilities

HB 524 and 525 would place the bond proposals before voters in the statewide general election in November. If approved by voters, the bonds could be issued in time to allow design, bidding and contracting on the projects to begin as early as the 2003 construction season.

“If voters decide they want the state to facilitate these construction projects with GO bonds, we would be in a position to take advantage of the historically low interest rates now available in the world financial markets,” said Mulder. “If we were ever going to go to the bond market to finance state construction and maintenance work, we couldn't pick a better time.”

[House Bill 528](#) would provide \$92.9 million for state reimbursement to local entities for debt incurred for construction projects that contribute to economic development in the local communities, including schools, harbors, energy projects, and facility acquisitions. These include:

- \$15 million in debt reimbursement for the state share of development of harbors in Unalaska, Akutan, Chignik and False Pass and expansion of the Port of Anchorage
- \$51 million in debt reimbursement for energy projects including the Nyman Combined Cycle Cogeneration Plant in Kodiak; the Power Creek Hydropower Project in Cordova; the Cogeneration Project in Valdez; the Metlakatla Utility Plant; and the Southeast Intertie (Swan Lake to Lake Tyee). This debt reimbursement will also allow Cordova Electric Cooperative to end its dependence on the power cost equalization program
- \$19.5 million in debt reimbursement for the University to buy a portion of the University Center shopping center facility in Anchorage for use as classroom space, as well as a combined facility in Juneau housing both a physical education facility for UAS students and a readiness center for the Alaska National Guard

“While most of these communities couldn't foot the bill for the cost of such projects on their own, they can come up with the match needed to secure the state funds made available by this legislation,” said Rep. Bill Williams (R-Saxman) co-chair of the House Finance Committee. “Debt reimbursement has worked well for Alaska communities for many years, and I'm pleased to see us continue the program for such important development projects in both rural and urban Alaska.”

House Bills [524](#), [525](#) and [528](#) move next to the Senate for consideration.

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ATTACHMENTS: [Spreadsheets](#) showing project breakout by district, and detailing projects contained in each bill