

**Harbors Upgrade and Transfer Program:  
\$39 Million in Projects Financed with Revenue Bonds  
Using a Portion of Existing Marine Motor Fuel Tax Receipts  
(HB 146, SB 118)**

One of the state's long-term goals is to upgrade state-owned harbor facilities to good condition and transfer them to municipal ownership wherever possible. This legislation will complete the DOT/PF harbor transfer plan for municipalities capable of assuming ownership and maintenance responsibility for their harbors. Additional points:

- Bonds would finance the upgrade and transfer to local governments of 31 state-owned harbor facilities in 12 municipalities, primarily in southeast and southcentral coastal communities.
- As a condition of funding, communities are required to complete their upgrades within 5 years.
- Harbors are valuable community assets that can pay for maintenance and operations costs through moorage and other fees.
- The plan employs the user pays principle by leveraging a portion of existing marine motor fuel tax receipts to pay debt service on COPs (essentially revenue bonds). Marine motor fuel taxes are collected in a segregated account within the general fund in anticipation of their earmarking for marine related purposes.
- Additional cost effectiveness is gained by pooling projects into one bond sale.
- Marine motor fuel tax receipts are currently about \$6.1 million per year, providing sufficient revenue to potentially finance future facility upgrades and transfers or financing of additional harbor or waterfront-type projects.
- Projects are listed on the following page:

**Harbor Upgrade and Transfer List**

	<u>Location</u>	<u>Facility Count</u>	<u>Election District</u>	<u>FY2003 Deferred Maintenance _ \$ thousands</u>
1	Whittier	1	35	\$ 2,449.0
2	Valdez	1	35	\$ 3,212.0
3	Seldovia	1	7	\$ 2,628.0
4	Petersburg (North Harbor, South Harbor, Middle Harbor)	3	2	\$ 3,729.0
5	Ketchikan (Thomas Basin, Ryus Float, Bar Harbor North, Hole in the Wall, Knudson Cove)	5	1	\$ 3,938.0
6	Sitka (Crescent Harbor, Sealing Cove, Thomsen Harbor)	3	2	\$ 2,234.5
7	Cordova	1	35	\$ 4,876.0
8	Klawock	1	5	\$ 896.0
9	Juneau(Auke Bay,Aurora, Harris, Douglas, Taku Harbor, Douglas Dock, North Douglas Ramp)	7	3	\$ 7,119.0
10	Wrangell (Standard, Reliance, Inner,Fish and Game, Shoemaker, Heritage Corps Match)	5	2	\$ 4,492.0
11	Yakutat	1	5	\$ 526.0
12	Hoonah (City float and harbor)	2	5	\$ 2,854.0
	<b>Total for transfer</b>	<b>31</b>		<b>\$ 38,953.5</b>