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Bond plan pitched for UAF energy building

By [Christopher Eshleman](#)

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FAIRBANKS — The state Senate on Saturday passed a tentative capital budget that lacks a measure University of Alaska Fairbanks leaders said is needed to start building a proposed energy technology and research center this year.

The university has said it wants to issue bonds for one-half of the proposed building's \$30 million price tag, a move interim Chancellor Brian Rogers said should be enough support to start construction this fall.

That plan, however, would rely on explicit permission from the Legislature, through the budget, before the university can collect money from any future bond sales. State lawmakers have thus far omitted that permission from the pending statewide construction budget, which is due next week.

Sen. Joe Thomas, D-Fairbanks, unsuccessfully asked Senate Finance Committee colleagues Saturday to include the measure in the budget. He said committee members were reluctant because they worried the move could obligate the state to spend more money down the road to help build and maintain the center.

"They weren't convinced that it would not be a back door to some general fund money at a later date," Thomas said.

Rogers said he was disappointed "the Legislature is telling us we can't use our own money to start this building."

Rogers acknowledged Saturday that UAF expects it might wind up asking the state for the second \$15 million of the proposed center's \$30 million construction budget. But he said letting the school issue bonds now would increase the chance of getting the second half from federal economic-stimulus spending or private sources.

Rogers said university leaders can ask the House of Representatives to try to make the change before they send the budget to Gov. Sarah Palin for approval, but Thomas said the chance of including that permission in the budget this year is slim.

The proposed 31,000-square-foot energy research building was proposed as a new home base for the year-old Alaska Center for Energy and Power.