

**HOUSE BILL NO. 150**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE DAVIS

Introduced: 2/19/97

Referred: Judiciary, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act giving notice of and approving a lease-purchase agreement with the City  
2 of Seward for the construction and operation of an addition to the Spring Creek  
3 Correctional Center, and setting conditions and limitations on the facility's  
4 construction and operation."

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

6 \* **Section 1.** NOTICE AND APPROVAL OF LEASE-PURCHASE AGREEMENT. (a)  
7 To provide for the construction and operation of a correctional facility in order to relieve  
8 overcrowding of existing correctional facilities, the Department of Administration, on behalf  
9 of the Department of Corrections, may enter into a lease-purchase agreement with the City of  
10 Seward under AS 33.30.031 for the construction and operation of an addition to the Spring  
11 Creek Correctional Center that will house persons who are committed to the custody of the  
12 commissioner of corrections. The project approval given by this subsection is subject to the  
13 following limitations:

14 (1) the total construction and related costs of the addition to the correctional

1 facility may not exceed \$25,000,000;  
2 (2) the total lease payments for the full term of the agreement may not exceed  
3 \$47,200,000, and the anticipated annual amount of the rental obligation to be paid by the  
4 Department of Corrections under the lease may not exceed \$2,702,000;  
5 (3) at the end of the term of the lease-purchase agreement, the state shall own  
6 the correctional facility; and  
7 (4) the addition must be designed and constructed so as to provide at least 250  
8 additional beds to Spring Creek Correctional Center.  
9 (b) Subsection (a) of this section constitutes the notice and approval required by  
10 AS 36.30.085.