

# FISCAL NOTE

**STATE OF ALASKA**  
**2006 LEGISLATIVE SESSION**

Fiscal Note Number: 2  
 Bill Version: CSHB 23(STA)  
 (H) Publish Date: 3/29/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Legislature  
 Title "An Act relating to construction of a BRU Legislative Council  
legislative hall; and repealing provisions relating to..." Component: Council and Subcommittees  
 Sponsor Representative Rokeberg  
 Requestor House State Affairs Component No. 783

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	12.5	0.0	0.0	0.0	0.0
Contractual	150.0	50.0	50.0	600.0	300.0	300.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>*150.0</b>	<b>*62.5</b>	<b>*50.0</b>	<b>*600.0</b>	<b>*300.0</b>	<b>*300.0</b>

**\*SEE TABLE ON PAGE 3 FOR ADDITIONAL AND TOTAL COSTS BY LOCATION.**

<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	150.0	62.5	50.0	600.0	300.0	300.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>150.0</b>	<b>62.5</b>	<b>50.0</b>	<b>600.0</b>	<b>300.0</b>	<b>300.0</b>

Estimate of any current year (FY2006) cost: \_\_\_\_\_

Check this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal: \_\_\_\_\_

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

Under Work Draft 24-LS0165\F the Alaska Legislative Council will develop specifications for construction of a new legislative hall and make those specifications available to Legislators and members of the public by December 15, 2006. There are several requirements in the bill intended to create a building with large chambers and committee rooms, restaurant facilities, a spacious rotunda, other amenities, and room to accommodate other branches of government. The building would have modern wiring, state of the art technology, and generous parking lots.

Once the specifications are developed, the Legislative Council will solicit proposals from boroughs or unified municipalities with at least 30,000 residents.

Prepared by: Karla Schofield, Deputy Director Phone 465-3852  
 Division Administrative Services Date/Time 3/24/06 3:14 PM  
 Approved by: Pamela A. Varni, Executive Director Date 3/24/2006  
 Agency Legislative Affairs Agency

## FISCAL NOTE #2

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

BILL NO. CSHB 23(STA)

### ANALYSIS CONTINUATION

In Alaska, these five boroughs are: City and Borough of Juneau, Fairbanks North Star Borough, Kenai Peninsula Borough, Matanuska-Susitna Borough, and the Municipality of Anchorage. The Alaska Legislative Council shall review all proposals, conduct inspections, and select a proposal or reject all proposals by June 30, 2007. Total lease payments by the Legislature to the successful offeror could not exceed \$1 a year or provide a project completion date that is later than June 30, 2009.

The Legislative Affairs Agency does not have architects on staff who could either develop a building design or provide specifications for a new legislative hall. Currently, when the Legislature enters into a remodeling project, the Legislature hires architects, mechanical engineers and other professionals to provide bid documents.

This fiscal note assumes that the Alaska Legislative Council would wish to provide general requirements and allow each borough or municipality the opportunity to design a building, within the confines of the specifications, which would fit into the individual community. The individual offerors would be financially responsible for coming up with a specific design and bid documents which they would issue for the building of a legislative hall in their community.

This fiscal note does not address the feasibility of boroughs and municipalities being able to prepare bid documents, acquire local approvals, or hold bonding elections within the timeframe envisioned by this legislation. It also does not address the social and economic impacts to Alaska communities if the Legislature relocated.

Under the scenario in this fiscal note, the Alaska Legislative Council would need to hire a professional architect or firm as a Design Competition Manager to oversee the Design Bid process. The architect would help the Alaska Legislative Council and the Legislative Affairs Agency develop the hall specifications and come up with objective measurables for what constitutes a desired level of (1) basic utility services, (2) airport access (3) winter road or ferry service (4) health, education, social services facilities and housing opportunities. Opinions on these topics could vary. Interviews would need to be conducted with Legislators and other branches of government to ascertain their needs which the Council and the Legislative Affairs Agency could incorporate into the requirements. This professional would need to remain on board through the Design Bid process to ensure that bids submitted by the boroughs or municipalities could realistically meet the deadlines and building requirements of the Legislative Hall Request for Proposals. The Legislature would likely continue this contract through the building phase to ensure the project remained on track. Estimate \$150,000 in FY 07, \$50,000 in FY08 and \$50,000 in FY09.

Assuming that all eligible boroughs and municipalities submitted proposals, the Legislative Council would conduct site visits. Travel costs for the members of the Legislative Council would be absorbed within existing budgets. Travel costs for Legislative Affairs Agency managers are included in this fiscal note as several managers would need to be present during the site visits to ensure a new legislative hall would meet the needs of the Legislature. Estimate \$12,500 in FY2008.

Assuming the Legislature did acquire a new Hall, the Legislature would need to operate, maintain, repair and manage the new building. The larger hall and parking facilities would increase the maintenance operating budget by an estimated 25%, after allowing for a reduced repair budget, as the hall would be in a new facility. Assuming occupancy in July 1, 2009, estimate \$300,000 per year starting in FY 2010.

**ANALYSIS CONTINUATION**

Assuming the Legislature moved into a new hall, the moving costs for relocating the office furniture and equipment (27 vans) could range between \$50,000 for a local Juneau move; \$270,000 for a move to Fairbanks or Anchorage, \$297,000 for a move to Wasilla-Palmer, and \$350,000 if the Legislative Hall were located in Kenai. See Table below.

Almost all positions in the Legislature could be transferred to another location if the winning proposal was located in a borough or municipality other than Juneau. Approximately 50 full time employees and their families would elect to move to a new location if the Legislature relocated. The Legislature would pay between \$11,000 and \$13,400 per employee for the move. Costs would range from \$550,000 to \$670,000 depending on destination. See Table below.

The session per diem rate paid to Legislators in Juneau fluctuates up and down. Relocating the Legislature will change the per diem rate paid to Legislators because per diem is based on location and the rate Legislators are paid is determined by the distance from their permanent home and the Capitol. Using the per diem rates in effect at this time, and determining which Legislators would receive the 75% local per diem rate, savings and increases are noted in the Table below.

The Legislature may also save on relocation costs if the Legislature relocated to another location. These estimates are also included in the Table below.

The Legislature currently occupies two state owned buildings in Juneau. If the Legislature occupies a new legislative hall in another location, the Capitol and the Terry Miller Legislative Office Building would likely be converted to other uses. The Terry Miller Legislative Office Building reverts to the City and Borough of Juneau if not used for Legislative office purposes. If the Capitol were used for other state offices or sold to a private party, a savings to the Legislature might be realized. If the Capitol were donated to the City of Juneau or to another organization no savings to the Legislature would be realized.

The Legislature would also incur costs to reconnect phone and computer systems in the new building or to purchase a new phone system or other equipment. Many of the desks in the current Capitol are built in's. The Legislature would need to either replace these in the new hall or acquire new furniture. A contingency fund of \$300,000 is estimated.

Some costs and savings would only become apparent if the new building and/or location became a reality. This fiscal note addresses the range of costs foreseen at this time.

**\*TABLE - TOTAL COSTS BY LOCATION**

Various Scenario's

	<u>Juneau</u>	<u>Fairbanks</u>	<u>Kenai</u>	<u>Mat-Su</u>	<u>Anchorage</u>	<u>No Bids</u>
<u>One Time Costs</u>						
On Site Travel	0.0	12.5	12.5	12.5	12.5	0.0
Contingency Fund	300.0	300.0	300.0	300.0	300.0	0.0
50 Employee Moves	0.0	550.0	670.0	590.0	550.0	0.0
Office Move	50.0	270.0	351.0	297.0	270.0	0.0
<u>Multiple Year Costs</u>						
Architect (150.0*3)	<u>250.0</u>	<u>250.0</u>	<u>250.0</u>	<u>250.0</u>	<u>250.0</u>	<u>0.0</u>
<b>Total</b>	<b>600.0</b>	<b>1,382.5</b>	<b>1,583.5</b>	<b>1,449.5</b>	<b>1,382.5</b>	<b>0.0</b>

<u>Cost for Each Future Year</u>						
Session Per Diem		-13.0	6.0	-23.0	42.9	0.0
Moving Expenses		-30.0	-70.0	-125.0	-125.0	0.0
Maintenance Costs	<u>300.0</u>	<u>300.0</u>	<u>300.0</u>	<u>300.0</u>	<u>300.0</u>	<u>0.0</u>
<b>Total</b>	<b>300.0</b>	<b>257.0</b>	<b>236.0</b>	<b>152.0</b>	<b>217.9</b>	<b>0.0</b>