

*letter attached*

Introduced: 3/7/74  
Referred: Finance

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IN THE SENATE BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

*HCS* SENATE BILL NO. 466 *Am H*  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Office  
of the Governor; and providing for an effective date."

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

\* Section 1. The sum of \$100,000 is appropriated from the general fund  
to the Office of the Governor for a professional study of the costs and  
effects of relocating the capital of the State of Alaska.

\* Sec. 2. The unexpended and unobligated balance of this appropriation  
lapses into the general fund on June 30, 1975.

\* Sec. 3. This Act takes effect on the day after its passage and  
approval or on the day it becomes law without approval.

*letter attached*

WILLIAM A. EGAN  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

March 7, 1974

The Honorable Terry Miller  
President of the Senate  
Alaska State Legislature  
Juneau, Alaska 99801

Dear Mr. President:

Pursuant to the Uniform Rules of the Legislature, I am transmitting a bill making a special appropriation to the Office of the Governor for a professional study of the costs and effects of relocating the capital of the State of Alaska.

Because of the public interest that has been generated in the possibility of moving Alaska's capital, it is incumbent upon the Administration and Legislature to inform Alaska voters to the fullest extent possible as to the costs and effects such an undertaking would entail. A thorough analysis, carried out by impartial professionals, is required so that the proposition can be objectively evaluated, free of bias from either side of the question that could be damaging to the state.

While it has been suggested that basic state governmental facilities for a new Capital City could be gained through exchanges of state land to a private-sector constructing entity, there are many other financial considerations involved above and beyond those basic costs. This unknown factor is of great concern in view of the state's already serious financial difficulties which will be felt in the years just ahead.

These unknown costs include the very substantial additional funding that would be required for the construction of municipal facilities, public utilities, schools, hospital and other medical facilities, an airport, a community college, a public transportation system, parks and recreation areas, and all of the other public needs of a new city. Would property taxpayers (that is, mainly individual wage earners already burdened with personal moving costs) be expected, as residents of the new city, to also bear the burden of paying for municipal services the new city would require immediately upon occupation?

The Hon. Terry Miller

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March 7, 1974

Further, even as to the proposition of financing construction of basic state governmental facilities through land exchanges, there has been no real assessment made as to whether suitable lands are available for this purpose or whether such use of public lands would be in the best interests of the people of Alaska. In addition, regarding lands, no assessment has been made of any environmental impact consideration involved.

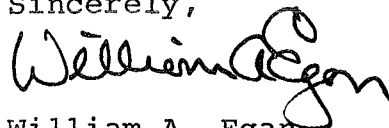
The analysis I am hereby proposing would also address itself to two other massive and vital considerations:

1. The costs and the effects on local economies of moving state offices and employees out of Anchorage, Fairbanks and Juneau, to the suggested new Capital City, including individual employee relocation costs and family life disruptions as well as public relocation costs and governmental disruptions;
2. The population impact, estimated at 20,000 people, upon the already heaviest populated area of Alaska, the Railbelt area, at a time when tremendous population impact also is going to be experienced by that area from the trans-Alaska oil pipeline construction project.

Other considerations requiring evaluation include the increasing problem of scarcity of building materials; the nations's energy emergency as it relates to scarcity of construction materials and all the various fuels required by a city and its residents; whether the federal facilities customarily required in a state capital for efficient state-federal relations would be made available by the federal government; and what effect state bonding required for construction of the new city would have on state bonding capacity and bond ratings?

All of these questions, and many others concerning any possible capital move, require full answers and objective evaluation if Alaskans are to be able to vote intelligently on such a proposition, and I urge that top priority by the Legislature be given to this funding request so that creation of the proposed commission and its engagement of a professional firm to provide the answers Alaska voters need can proceed expeditiously.

Sincerely,



William A. Egan  
Governor