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1 IN THE HOUSE

2 *CS* HOUSE BILL NO. 801 *(Jud.)*

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Capital Site Development  
7 Authority."

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

9 \* Section 1. AS 44 is amended by adding a new chapter to read:

10 CHAPTER 58. CAPITAL SITE DEVELOPMENT AUTHORITY.

11 Sec. 44.58.010. ALASKA CAPITAL SITE DEVELOPMENT AUTHORITY. There  
12 is created in the Department of Natural Resources the Alaska Capital  
13 Site Development Authority. The authority is a public corporation and  
14 government instrumentality but has a legal existence independent of and  
15 separate from the state.

16 Sec. 44.58.020. MEMBERSHIP. The authority consists of the commis-  
17 sioner of natural resources, the commissioner of public works, the  
18 commissioner of community and regional affairs, and two members of the  
19 public appointed by the governor and approved by a majority of the  
20 legislature sitting in joint session. The members receive no salary for  
21 their service on the authority but are entitled to per diem and travel  
22 expenses authorized by law.

23 Sec. 44.58.030. MEETING OF THE BOARD. The members shall elect a  
24 chairman and vice-chairman from among its membership at its first  
25 meeting. A majority of the members constitutes a quorum for conducting  
26 business and exercising the powers of the authority. The board shall  
27 meet at the call of the chairman. The meetings of the authority are  
28 subject to AS 44.62.310 and 44.62.312.

29 Sec. 44.58.040. CONFLICT OF INTEREST. The members of the

1 authority are subject to the provisions of AS 39.50. No member or  
2 employee of the authority may acquire an interest, direct or indirect,  
3 in a development project or a contract for materials or services under-  
4 taken by the authority other than the purchase of land for residential  
5 or business purposes by the member or employee.

6 Sec. 44.58.050. PURPOSE. The authority exists for the purpose of  
7 developing for sale, and for selling at a profit, the land of the  
8 capital site before the formation of a municipal government, and for the  
9 purpose of constructing state and municipal office buildings and rental  
10 or lease of these facilities to the respective government agencies.

11 Sec. 44.58.060. POWERS OF THE AUTHORITY. The authority may

12 (1) sue and be sued in its own name;

13 (2) adopt, alter and use a corporate seal;

14 (3) prescribe, adopt, amend and repeal bylaws, rules, and  
15 regulations;

16 (4) appoint officers, agents and employees and vest them with  
17 powers and duties, and fix, change and pay compensation for their  
18 services as the authority may determine and terminate these officers,  
19 agents, employees, or duties at the discretion of the authority;

20 (5) make and execute contracts and other instruments of  
21 purchase or sale without the necessity of requesting sealed bids and  
22 accepting only the lowest bid;

23 (6) own, exchange, transfer, lease, rent, convey or acquire  
24 by eminent domain, or otherwise, personal property and realty which is  
25 located in the capital site;

26 (7) sell, lease, rent, mortgage or convey developed or  
27 undeveloped lots, either singly or in multiple units, and state or  
28 municipal buildings, to individual purchasers and to the state and  
29 municipal government;

- 1 (8) subdivide the land in the capital site;
- 2 (9) zone if the capital site is in the unorganized borough,
- 3 and has zoning advisory powers if the capital is in an organized bor-
- 4 ough;
- 5 (10) negotiate and sign contracts for the purpose of sur-
- 6 veying, platting, subdividing, utility installation, road building, and
- 7 other acts necessary to develop the capital site for sale or lease to
- 8 purchasers, both public and private;
- 9 (11) approve plats for the capital site if the capital site is
- 10 located in the unorganized borough;
- 11 (12) make and execute agreements, contracts and other instru-
- 12 ments necessary or convenient in the exercise of its powers and func-
- 13 tions, including contracts with any person, firm, corporation, associa-
- 14 tion, government agency, or other entity;
- 15 (13) borrow money, make and issue bonds, notes and other
- 16 evidences of indebtedness of the authority for any of its corporate
- 17 purposes and to secure payment of its bonds and of other obligations by
- 18 pledge of or lien on all or any of its assets, contracts, revenue and
- 19 income;
- 20 (14) make and issue bonds for the purpose of funding, re-
- 21 funding, purchasing, paying or discharging any of the outstanding bonds
- 22 or obligations issued or assumed by it or bonds or obligations the
- 23 principal or interest of which is payable in whole or in part from its
- 24 revenue;
- 25 (15) contract with developers for the planning, subdivision
- 26 and construction of home sites and homes for single-family and multiple-
- 27 residence dwellings;
- 28 (16) contract with private developers or state agencies for
- 29 the planning, subdivision and construction of state and municipal office

1 buildings, warehouses, terminals, storage yards, parking lots, airports,  
2 or other structures or facilities needed by the state and municipal  
3 governments;

4 (17) develop a master plan for the capital site, this plan to  
5 include zoning, proposed or acceptable uses of all land in the capital  
6 site, transportation corridors, and recreational land;

7 (18) design, develop and contract for the building of a new  
8 state capitol;

9 (19) design, develop and contract for the building of streets,  
10 roads and highways in the capital site;

11 (20) design, develop and contract for building all public  
12 utilities that will be required to support the capital site;

13 (21) conduct contests for building designs;

14 (22) do all acts and things necessary, convenient or desirable  
15 to carry out the powers granted or implied in this chapter.

16 Sec. 44.58.070. TRANSFER OF CAPITAL SITE TO AUTHORITY. The fee  
17 title of the state-owned land in the capital site shall be transferred  
18 from the division of lands to the authority as soon as practicable after  
19 the selection of the capital site by the electorate under AS 44.06.150.

20 Sec. 44.58.080. PLATTING AUTHORITY. The authority is the platting  
21 authority for the capital site for as long as the authority owns or  
22 retains an interest in any land in the capital site; however, the  
23 capital site must be in the unorganized borough.

24 Sec. 44.58.090. CONDEMNATION BY AUTHORITY. The authority may by  
25 condemnation acquire any privately owned land which is encompassed by  
26 the boundaries of the capital site.

27 Sec. 44.58.100. MASTER PLAN. (a) The authority shall produce a  
28 master plan for the development of the capital site. This master plan  
29 shall be completed on or before July 1, 1978 and shall be subject to

1 public hearings both during its formulation and once the plan is final.

2 (b) The master plan shall include but is not limited to policy  
3 statements, goals, standards, and maps for guiding the physical, social  
4 and economic development of the capital site, a land use plan, parks,  
5 schools, and transportation plan, and anticipated water needs and  
6 resources.

7 (c) The authority shall include in the master plan an estimate of  
8 the cost of each project or plan required to complete the capital move.

9 Sec. 44.58.110. EXECUTIVE AGENCIES. The governor shall submit to  
10 the authority, no later than six months following the selection of the  
11 capital site by the electorate, a list of executive agencies which are  
12 anticipated to be located in the capital site. This list shall include  
13 the offices to be moved, the number of personnel to be employed in those  
14 offices, and the anticipated required office space for that number of  
15 persons. This list will be used for capital site planning purposes  
16 only, and shall not be interpreted as a restriction upon which executive  
17 agencies will be located in the capital site.

18 Sec. 44.58.120. LAND DEVELOPMENT. (a) The authority may sub-  
19 divide, develop for sale, and sell or lease any and all land it owns  
20 which the authority determines is readily marketable. The authority  
21 shall sell, lease, rent or otherwise convey the land so developed at no  
22 less than fair market value.

23 (b) In the development and sale or lease of its land, the author-  
24 ity is not subject to the provisions of AS 30.05.045 - 30.05.105.

25 Sec. 44.58.130. TRANSFER TO MUNICIPALITY. (a) If a municipal  
26 corporation is established in the capital site, the municipal corpora-  
27 tion may request the transfer of any or all land in the capital site  
28 which has not been devoted to or designated for use by state facilities.  
29 If the authority determines that such a transfer is in the best interest

1 of the public, the authority shall transfer the land that is requested  
2 by the municipal corporation.

3 (b) If a municipal corporation is formed in the capital site, the  
4 governing body of the municipal corporation may replace the two public  
5 members of the authority and appoint two of its members to fill those  
6 two seats.

7 (c) If a municipal corporation is established in the capital site,  
8 the municipal corporation may request that the authority be dissolved  
9 and all rights, powers, duties, assets and liabilities of the authority  
10 be transferred to and assumed by the municipal corporation. If the  
11 authority determines that the transfer requested is in the best interest  
12 of the public, the authority shall transfer, and the municipal corpora-  
13 tion shall succeed to, all rights, powers, duties, assets and liabili-  
14 ties of the authority. Before the transfer, the authority shall  
15 transfer the fee title to the state capitol and other state offices to  
16 appropriate state agencies.

17 Sec. 44.58.140. BONDS AND NOTES. (a) The authority may issue  
18 bonds and bond anticipation notes in order to provide funds to carry out  
19 and effectuate its purposes.

20 (b) The principal and interest on these bonds or notes is payable  
21 from authority funds. Bond anticipation notes may be payable from the  
22 proceeds of the sale of bonds or from the proceeds of sale of other bond  
23 anticipation notes or, if bond or bond anticipation note proceeds are  
24 not available, the notes may be paid from other funds or assets of the  
25 authority. Bonds or notes may be additionally secured by a pledge of a  
26 grant or contribution from the federal or state government, a corpora-  
27 tion, association, institution or person, or a pledge of money, income,  
28 or revenue of the authority from any source.

29 (c) Bonds or bond anticipation notes may be issued as provided by

1 the authority in one or more series and shall (1) be dated; (2) bear  
2 interest at the prescribed rate per year or within the maximum rate; (3)  
3 be in a certain denomination or form, either coupon or registered; (4)  
4 carry the conversion or registration provisions; (5) have rank or  
5 priority; (6) be executed in a certain manner and form; (7) be payable  
6 from the sources in the medium of payment and place or places inside or  
7 outside the state; (8) be subject to authentication by a trustee or  
8 fiscal agent; and (9) be subject to terms of redemption, with or without  
9 premium. Bond anticipation notes mature at a time determined by the  
10 authority. Bonds mature at a time, not exceeding 50 years from the date  
11 of their issuance, as determined by the authority. Before the pre-  
12 preparation of definitive bonds or bond anticipation notes, the authority  
13 may issue interim receipts or temporary bonds or bond anticipation  
14 notes, with or without coupons, exchangeable for bonds or bond antici-  
15 pation notes when the definitive bonds or bond anticipation notes have  
16 been executed and are available for delivery.

17 (d) Bonds or bond anticipation notes may be sold in the manner, on  
18 the terms, and at the price the authority determines.

19 (e) If an officer whose actual or facsimile signature appears on  
20 any bonds or notes or coupons attached to them ceases to be an officer  
21 before the delivery of the bond, note or coupon, his signature is valid  
22 as if he had remained in office until delivery.

23 (f) In a resolution of the authority authorizing or relating to  
24 the issuance of bonds or bond anticipation notes, the authority may,  
25 with the holders of the bonds or bond anticipation notes,

26 (1) pledge to any payment or purpose all or any part of  
27 revenue to which it is or will be entitled to and similarly pledge the  
28 money derived from the revenue, and the proceeds of any bonds or notes;

29 (2) covenant against pledging all or any part of its revenue,

1 or against permitting or suffering a lien on the revenue or its pro-  
2 perty;

3 (3) covenant as to the use and disposition of any and all  
4 payments of principal or interest received by the authority on mortgage  
5 loans, construction loans, or other investments held by the authority;

6 (4) covenant as to establishment of reserves or sinking funds  
7 and the making of provision for, and the regulation and disposition of,  
8 the reserves or sinking funds;

9 (5) covenant with respect to or against limitations on a  
10 right to sell or otherwise dispose of property of any kind;

11 (6) covenant as to bonds and notes to be issued, and their  
12 limitations, terms and conditions, and as to the custody, application  
13 and disposition of the proceeds of the bonds and notes;

14 (7) covenant as to the issuance of additional bonds or notes,  
15 or as to limitations on the issuance of additional bonds or notes and  
16 the incurring of the other debts;

17 (8) covenant as to the payment of the principal of or inter-  
18 est on the bonds or notes, as to the sources and methods of the payment,  
19 as to the rank or priority of the bonds or notes with respect to a lien  
20 or security, or as to the acceleration of the maturity of the bonds or  
21 notes;

22 (9) provide for the replacement of lost, stolen, destroyed or  
23 mutilated bonds or notes;

24 (10) covenant against extending the time for the payment of  
25 bonds or notes or interest on the bonds or notes;

26 (11) covenant as to the redemption of bonds or notes and  
27 privileges of their exchange for other bonds or notes of the authority;

28 (12) covenant to create or authorize the creation of special  
29 funds of money to be held in pledge or otherwise for operation expenses,

1 payment or redemption of bonds or notes, reserves or other purposes, and  
2 as to use and disposition of the money held in the funds;

3 (13) establish the procedure, if any, by which the terms of  
4 any contract or covenant with or for the benefit of the holders of bonds  
5 or notes may be amended or abrogated, the amount of bonds or notes the  
6 holders of which must consent to amendment or abrogation, and the manner  
7 in which the consent may be given;

8 (14) covenant as to the custody of any of its properties or  
9 investments, their safekeeping and insurance, and the use and disposi-  
10 tion of insurance money;

11 (15) covenant as to the time or manner of enforcement or  
12 restraint from enforcement of any rights of the authority arising by  
13 reason of or with respect to nonpayment of principal or interest of any  
14 mortgage loans or construction loans;

15 (16) provide for the rights and liabilities, powers and duties  
16 arising upon the breach of a covenant, condition or obligation, and to  
17 prescribe the events of default and the terms and conditions upon which  
18 any or all of the bonds, notes or other obligations of the authority  
19 become or may be declared due and payable before maturity and the terms  
20 and conditions upon which such a declaration and its consequences may be  
21 waived;

22 (17) vest in a trustee or trustees inside or outside the state  
23 property, rights, powers and duties in trust as the authority may  
24 determine, which may include any or all of the rights, powers and duties  
25 of a trustee appointed by the holders of bonds or notes, and to limit or  
26 abrogate the right of the holders of bonds or notes of the authority to  
27 appoint a trustee under this chapter or limit the rights, powers and  
28 duties of the trustee;

29 (18) pay the costs or expenses incident to the enforcement of

1 the bonds or notes or of the provisions of the resolution or of a  
2 covenant or agreement of the authority with the holders of its bonds or  
3 notes;

4 (19) agree with a corporate trustee which may be a trust  
5 company or bank having the powers of a trust company inside or outside  
6 the state as to the pledging or assigning of revenue or funds to which  
7 or in which the authority has any rights or interest; and further pro-  
8 vide for other rights and remedies exercisable by the trustee as may be  
9 proper for the protection of the holders of any bonds or notes of the  
10 authority and not otherwise in violation of law and may provide for the  
11 restriction of the rights of an individual holder of bonds or notes of  
12 the authority;

13 (20) appoint and provide for the duties and obligations of a  
14 paying agent or other fiduciary by majority vote, inside or outside the  
15 state;

16 (21) limit the rights of the holders of bonds or notes to  
17 enforce a pledge or covenant securing bonds or notes;

18 (22) make covenants other than expressly authorized in this  
19 section, of like or different character, and make covenants as may be  
20 necessary or desirable, to better secure bonds or notes or which, in the  
21 discretion of the authority, will tend to make bonds or notes more  
22 marketable, notwithstanding the fact that the covenants are not enumer-  
23 ated in this section.

24 Sec. 44.58.150. VALIDITY OF PLEDGE. The pledge of assets or  
25 revenue of the authority to the payment of the principal or interest  
26 of obligations of the authority is valid and binding from the time the  
27 pledge is made, and assets or revenue pledged are immediately subject  
28 to the lien of the pledge without physical delivery or further action.  
29 The lien of a pledge is valid and binding against all parties having

1 claims of any kind in tort, contract or otherwise against the authority,  
2 irrespective of whether those parties have notice of the lien of the  
3 pledge. Nothing prohibits the authority from selling assets subject to  
4 a pledge, except that a sale may be restricted by the trust agreement  
5 or resolution providing for the issuance of the obligations.

6 Sec. 44.58.160. REMEDIES. A holder of obligations or coupons  
7 attached to them issued under the provisions of this chapter, and a  
8 trustee under a trust agreement or resolution authorizing the issuance  
9 of the obligation, if not restricted by the trust agreement or resolu-  
10 tion, either at law or in equity, may enforce all rights granted under  
11 the coupons or under the trust agreement or resolution, or under any  
12 other contract executed by the authority under this chapter, and may  
13 enforce and compel the performance of all duties required by this  
14 chapter or by the trust agreement or resolution to be performed by the  
15 authority or by an officer of it.

16 Sec. 44.58.170. NEGOTIABLE INSTRUMENTS. All obligations and  
17 interest coupons attached to the obligations are negotiable instruments  
18 under the laws of this state, subject only to applicable registration  
19 provisions.

20 Sec. 44.58.180. OBLIGATION ELIGIBLE FOR INVESTMENT. Obligations  
21 issued under the provisions of this chapter are securities in which all  
22 public officers and public bodies of the state and its political sub-  
23 divisions, all insurance companies, trust companies, banking associa-  
24 tions, investment companies, executors, administrators, trustees and  
25 other fiduciaries may properly and legally invest funds, including  
26 capital in their control or belonging to them. These obligations may be  
27 deposited with the state or municipal officer of any agency or political  
28 subdivision of the state for any purpose for which the deposit of bonds,  
29 notes, or obligations of the state is authorized by law.

1           Sec. 44.58.190. REFUNDING OBLIGATIONS. (a) The authority may  
2 provide for the issuance of refunding obligations for the purpose of  
3 refunding obligations then outstanding which have been issued under the  
4 provisions of this chapter, including the payment of redemption premium  
5 on them and interest accrued or to accrue to the date of redemption of  
6 the obligations. The issuance of the obligations, the maturities and  
7 other details of them, the rights of the holders of them, and the  
8 rights, duties and obligations of the authority in respect of them are  
9 governed by the provisions of this chapter which relate to the issuance  
10 of appropriate obligations.

11           (b) Refunding obligations may be sold or exchanged for outstanding  
12 obligations issued under this chapter. If sold, the proceeds may be  
13 applied, in addition to other authorized purposes, to the purchase,  
14 redemption or payment of the outstanding obligations. Pending the  
15 application of the proceeds of any such refunding obligations, with any  
16 other available funds, to the payment of the principal (accrued interest  
17 and any redemption premium on the obligations being refunded, and, if so  
18 provided or permitted in the resolution authorizing the issuance of the  
19 refunding obligations or in the trust agreement securing them, to the  
20 payment of any interest on the refunding obligations and any expenses in  
21 connection with the refunding), the proceeds may be invested in direct  
22 obligations of, or obligations the principal of and the interest on  
23 which are unconditionally guaranteed by, the United States which mature  
24 or which will be subject to redemption, at the option of the holders of  
25 them, not later than the respective dates when the proceeds, together  
26 with the interest accruing on them, will be required for the purposes  
27 intended.

28           Sec. 44.58.200. CREDIT OF STATE NOT PLEDGED. Obligations issued  
29 under the provisions of this chapter do not constitute a debt, liability

1 or obligation of the state or of any other political subdivision of the  
2 state or a pledge of the faith and credit of the state or a political  
3 subdivision of the state but are payable solely from the revenue or  
4 assets of the authority. Each obligation issued under this chapter  
5 shall contain on its face a statement that the authority is not obli-  
6 gated to pay it nor the interest on it except from the revenue or assets  
7 pledged for it and that neither the faith and credit nor the taxing  
8 power of the state or of a political subdivision of the state is pledged  
9 to the payment of the principal of or interest on the obligation.

10 Sec. 44.58.210. EXEMPTION FROM TAXES. Bonds and other obligations  
11 of the authority are declared to be issued for an essential public and  
12 governmental purpose and are public instrumentalities and, together with  
13 interest on them and income from them, are exempt from taxes.

14 Sec. 44.58.220. LIMITATION OF LIABILITY ON BONDS. The members of  
15 the authority and any person executing the bonds are not liable per-  
16 sonally on the bonds by reason of their issuance. The bonds of the  
17 authority are not a debt of the state or a political or municipal  
18 corporation or other subdivision of the state and each bond shall so  
19 state on its face. Neither the state nor a political or municipal  
20 corporation or other subdivision of the state other than the authority  
21 is liable on the bonds, nor are the bonds payable out of funds or  
22 properties other than those of the authority. The authority may not  
23 pledge the faith of the people of the state for a loan or obligation.  
24 Bonds of the authority are not a debt, indebtedness or the borrowing of  
25 money within the meaning of any limitation or restriction on the issu-  
26 ance of bonds contained in the constitution or laws of the state.

27 Sec. 44.58.230. QUARTERLY AUDIT. The authority shall provide for  
28 a quarterly audit of the accounts and financial transactions of the  
29 authority by the audit division of the Department of Revenue. Copies of

1 the audit shall be furnished to the legislature within 10 days of each  
2 audit.

3 Sec. 44.58.240. DEFINITIONS. In this chapter

4 (1) "authority" means the Capital Site Development Authority;

5 (2) "capital site" means land included in the boundaries of  
6 the geographical area designated by the electorate under AS 44.06.150 as  
7 the future capital of Alaska;

8 (3) "municipal government" means either a home rule or a  
9 general law municipality.