

Original sponsors: Croft, Colletta,  
Willis, et al

Offered: 4/22/77  
Referred: Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 27

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to planning and establishment of the  
7 new state capital; and providing for an effective date."

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

9 \* Section 1. The people of the State of Alaska, by initiative, have re-  
10 quired the legislature to provide for the planning of a new capital city with-  
11 in the bounds of the area selected and for the construction of necessary state  
12 and public facilities and their administration. The people have further  
13 declared that this relocation of the seat of government be accomplished so as  
14 to preclude unnecessary reduction of state employees employed by the state in  
15 Juneau. To this end, and in the context of an overriding obligation to  
16 thoughtful and meticulous planning balanced against a public demand for ac-  
17 curate information within a limited time frame terminating on or before the  
18 next general election, the legislature, through this Act, establishes a means  
19 by which the state government and the people may obtain and analyze relevant  
20 information, consider alternative proposals, provide guidance and direction  
21 to and secure timely management of the critical factors and sequential events  
22 applicable to the process of affecting a relocation of the seat of government.

23 \* Sec. 2. AS 44.06 is amended by adding new sections to read:

24 ARTICLE 3. PLANNING AND DEVELOPMENT OF A NEW CAPITAL CITY.

25 Sec. 44.06.200. LEGISLATIVE INTENT. It is the intent of the  
26 legislature in enacting secs. 200 - 300 of this chapter that the plan-  
27 ning and development process attending relocation of the seat of govern-  
28 ment provide both an incentive and a means to achieve quality develop-  
29 ment of a new capital city consistent with the long-term needs and

1 interests of the people of the region and the state. To that end, the  
2 legislature seeks to assure that

3 (1) the initial size of state government in the new capital  
4 city be limited subject to additional development by future legislatures;

5 (2) the process and decisions affecting the planning and  
6 development of a new capital city include full opportunity for public  
7 participation;

8 (3) the new capital city be accessible to a majority of the  
9 residents of the state and that provision be made from the inception of  
10 a relocation for adequate transportation and telecommunications facili-  
11 ties in the community to assure full public participation in the process  
12 of government;

13 (4) the new capital city reflect the unique qualities of the  
14 state and its people;

15 (5) the state resident-hire laws be utilized to the maximum  
16 extent possible in each stage of the planning, development and reloca-  
17 tion process;

18 (6) in planning for the location, nature and construction of  
19 public facilities in the new capital city, consideration be given to the  
20 development and use of the natural resources available in the region and  
21 state as the source of energy for the community;

22 (7) to the maximum extent possible, decisions and actions  
23 affecting construction of public facilities, provision of public ser-  
24 vices, and activities in the private sector be undertaken cooperatively  
25 with officials of local governments and the residents of the area  
26 adjacent to the new capital city community.

27 Sec. 44.06.210. NEW CAPITAL CITY SITE PLANNING COMMISSION. There  
28 is created in the Office of the Governor the New Capital City Site Plan-  
29 ning Commission.

1           Sec. 44.06.220. MEMBERSHIP. (a) Within 15 days after the effec-  
2           tive date of this Act, the governor shall appoint a commission consist-  
3           ing of nine members who shall be subject to confirmation by a majority  
4           of the members of the legislature in joint session. Members are ap-  
5           pointed for four-year terms and may be reappointed. The commission  
6           shall be composed of one member from the Northwest district, two members  
7           from the Southeast district, two members from the Central district, and  
8           three members from the South Central district, who shall be appointed on  
9           a nonpartisan basis. The mayor of the Matanuska-Susitna Borough, or his  
10          designee, shall be the ninth member of the commission.

11           (b) Members of the commission are entitled to receive \$100 a day  
12          for their service on the commission, and per diem and travel expenses  
13          authorized by law for other boards and commissions.

14          Sec. 44.06.230. MEETING OF THE COMMISSION. Commission members  
15          shall elect a chairman and vice-chairman from among their membership.  
16          The governor shall call the first meeting of the commission within 15  
17          days after appointment of the members. A majority of the members con-  
18          stitutes a quorum for conducting business and exercising the powers of  
19          the commission. The commission shall meet at the call of the chairman,  
20          at the request of a majority of the members, or at a regularly scheduled  
21          time as determined by the members.

22          Sec. 44.06.240. DUTIES OF THE COMMISSION. (a) The purpose of the  
23          commission is to prepare a detailed plan for development of the new  
24          capital city site within the guidelines enumerated in this chapter. A  
25          detailed plan for initial development shall be proposed in the context  
26          of a prospective plan for additional development. In this section,  
27          reference to "initial development" means the transfer to the new capital  
28          city site by October 1, 1980 of each of the following branches or  
29          offices of state government, including provisions for staff necessary

1 for the support of each:

2 (1) the Office of the Governor, including the lieutenant  
3 governor, and appropriate staff;

4 (2) the legislature, Legislative Affairs Agency, the divisions  
5 of legislative finance and legislative audit, and temporary staff to  
6 provide services necessary to support the First Session of the Twelfth  
7 Alaska Legislature at the new capital city; and

8 (3) the Department of Law, exclusive of personnel of that  
9 department whose presence is not clearly required for the conduct of the  
10 business of the department essential to advising the governor, lieute-  
11 nant governor, and the legislature during and after the First Session of  
12 the Twelfth Alaska Legislature.

13 (b) The plan required in (a) of this section shall be presented in  
14 two stages. A detailed plan for initial development (hereafter referred  
15 to as the initial development plan), which includes a substantially  
16 accurate proposal for additional development shall be presented to the  
17 legislature no later than February 15, 1978. A final development plan  
18 (hereafter referred to as the final development plan) shall be presented  
19 to the legislature no later than February 1, 1979. Following completion  
20 of the plans, the commission shall make public presentations of each  
21 throughout the state.

22 (c) The initial and final development plans shall include, but are  
23 not limited to, the following elements: government facilities, com-  
24 munity facilities, transportation, public utilities, communications  
25 facilities, commercial and industrial development, residential develop-  
26 ment, resources, and environmental aspects.

27 (d) The initial development plan shall definitively provide for  
28 those state governmental functions enumerated in sec. 240(a)(1), (2),  
29 and (3) of this chapter and appropriate infrastructure and support

1 services as outlined in sec. 240(c) of this chapter. The initial  
2 development plan shall also include substantially accurate proposals for  
3 additional development of the capital city site. This projection for  
4 additional development shall present reasonable alternatives to develop-  
5 ment in accordance with sec. 240(c) of this chapter, including a re-  
6 location phasing analysis which offers proposals for the decentraliza-  
7 tion, regionalization, and reorganization of state government. These  
8 proposals shall include the offices to be moved, the number of personnel  
9 employed in those offices, and the anticipated required office space for  
10 that number of persons. The final development plan shall refine each  
11 substantially accurate alternative to complete and final form.

12 (e) In preparing all development plans, the commission shall

13 (1) perform physical and geotechnical site-specific analysis  
14 and related mapping;

15 (2) in cooperation with officials of the Matanuska-Susitna  
16 Borough, assess and evaluate, and issue a report summarizing the anti-  
17 cipated resultant effects of the relocation of the seat of government  
18 on the Matanuska-Susitna Borough; suggest alternatives for the exercise  
19 of powers, provision of services, and construction and maintenance of  
20 public facilities by the state and any local government within the new  
21 capital city site boundaries and the region, including cooperation or  
22 joint exercise of a power or function; and recommend to the legislature  
23 the type of development entity which would be responsible for the new  
24 capital city development as well as the powers and authorities which  
25 would be vested in the development entity;

26 (3) provide a comprehensive assessment of the social, econo-  
27 mic and environmental impact on the Matanuska-Susitna Borough and the  
28 City and Borough of Juneau in accordance with generally accepted  
29 standards for these procedures; the assessment shall emphasize the

1 effect of governmental relocation on all items listed in sec. 240(c) of  
2 this chapter;

3 (4) investigate the possibility of using existing facilities  
4 currently in the state which could serve as a construction camp and any  
5 fixtures or equipment necessary to operate the camp for the construction  
6 of the capital; the commission may accept the facilities, furnishings,  
7 and equipment as a donation to the state or it may execute an option  
8 on this property;

9 (5) determine the environmental and use permits necessary for  
10 the construction of the capital and recommend to the legislature any  
11 possible methods to expedite this process while protecting the environ-  
12 mental quality of the area;

13 (6) investigate and recommend to the legislature alternatives  
14 for the housing and attendant support facilities to be provided by the  
15 private sector for those involved in the initial development;

16 (7) provide a comprehensive plan for a statewide telecommuni-  
17 cations link to the capital city;

18 (8) organize and conduct by April 15, 1978 a capital city  
19 name contest between all school children attending grades kindergarten  
20 through 12 in public or private schools in the state, judge the entries,  
21 and select three finalist names; the three finalist names shall be  
22 placed on the next general election ballot along with a brief statement  
23 by the commission explaining why each name was chosen; the commission  
24 shall award the entrant whose capital city name is selected by the  
25 voters at the election a scholarship in the amount of \$500.

26 (f) In conjunction with the initial and final plans, the commis-  
27 sion shall conduct a cost analysis of potential costs to the state for  
28 the move proposing construction schedules and related cost studies.  
29 This analysis shall evaluate all necessary one-time costs for equipment,

1 materials and services for planning, design, construction and occupation  
2 of all facilities required to be constructed by the state. The costs  
3 shall include, but not be limited to, escalation for inflation, person-  
4 nel moving costs, potential financing costs, indemnification costs, and  
5 potential economic impact costs to the Matanuska-Susitna Borough and the  
6 City and Borough of Juneau. These one-time costs shall be separately  
7 evaluated for initial development and for proposed additional develop-  
8 ment. The commission shall also separately evaluate long-term costs,  
9 not to exceed 15 years after the effective date of this Act, of main-  
10 tenance, operation and occupancy of those state facilities contemplated  
11 under initial and additional development, including program costs and  
12 nonfacility related support costs. In addition, the commission shall

13 (1) develop comparison costs for the next 15 years following  
14 the effective date of this Act on construction, operation, and main-  
15 tenance of existing and future facilities in Juneau; for purposes of  
16 this comparison, Juneau hypothetically remains the seat of government;

17 (2) investigate the effect of capital relocation on the  
18 bonded indebtedness of the City and Borough of Juneau;

19 (3) study the merits of and potential revenue to be gained  
20 from the disposal by sale or lease of state land within the area of the  
21 new capital city site.

22 (g) A financial plan which contains the elements outlined in (f)  
23 of this section, including an investigation of funding alternatives,  
24 shall be presented to the legislature along with the initial develop-  
25 ment plan no later than February 15, 1978. Final cost analysis and  
26 financing alternatives for proposed additional development shall be  
27 presented to the legislature, along with the final development plan, no  
28 later than February 1, 1979. During fiscal year 1979, the state shall  
29 also provide funding for an economic diversification study in an effort

1 to determine viable future economic alternatives for the City and  
2 Borough of Juneau. This study shall be completed on or before July 1,  
3 1980.

4 (h) The commission may undertake other activities as are appro-  
5 priate to carry out its functions, including but not limited to investi-  
6 gating the most economical and expeditious means of procurement, construc-  
7 tion methods, construction alternatives, and labor costs.

8 Sec. 44.06.250. FUNDING. The legislature shall provide funding  
9 as required. The commission is subject to the Executive Budget Act  
10 (AS 37.07) and funding by the legislature.

11 Sec. 44.06.260. ASSISTANCE TO THE COMMISSION. (a) The commission  
12 shall use all competent professional and technical services required  
13 to assist in the planning. The commission shall hire staff to provide  
14 support services, and it may choose the consultants which in its judgment  
15 are necessary to assist in the planning. The commission may also request  
16 any information which it considers essential from any agency of the  
17 state and the agency shall furnish it in an expeditious manner. Agencies  
18 shall receive timely notice from the commission regarding any matters  
19 substantially relevant to that agency's function.

20 (b) The commission shall develop an appropriate procedure in order  
21 to select competent firms to develop the elements involved in the capital  
22 site development plan within the time frame called for in sec. 240 of  
23 this chapter.

24 Sec. 44.06.270. REPORTS. (a) The commission shall report on its  
25 work every six months. This report shall be distributed to the governor,  
26 all members of the legislature, the chief justice of the supreme court,  
27 and the general public.

28 (b) All financial reports, estimates, alternatives and analyses  
29 shall clearly delineate funds projected to be provided by the state

1 general fund, state bonds, and all other state sources from funds  
2 to be provided by private enterprise sources and by the federal govern-  
3 ment.

4 Sec. 44.06.280. LEGISLATIVE REVIEW AND APPROVAL. The reports  
5 submitted by the commission under sec. 240 of this chapter shall be  
6 submitted on the dates specified. The legislature may approve, with or  
7 without modification in whole or in part, or reject a report or recom-  
8 mended action submitted by the commission.

9 Sec. 44.06.290. TERMINATION. The commission established in sec.  
10 210 of this chapter expires June 30, 1982.

11 \* Sec. 3. AS 38.40.030(a) is amended to read:

12 (a) In order to create, protect and preserve the right of Alaska  
13 residents to employment, the commissioner of natural resources shall  
14 incorporate into all oil and gas leases, easements or right-of-way  
15 permits for oil or gas pipeline purposes, unitization agreements, or any  
16 renegotiation of any of the preceding to which the state is a party,  
17 and into leases, easements or right-of-way permits issued by the state  
18 for land within the area withdrawn as "reserved use land" under AS 44.-  
19 06.130 for the site of the new capital city, provisions requiring the  
20 lessee to comply with applicable laws and regulations with regard to the  
21 employment of Alaska residents, a provision requiring the employment  
22 of qualified Alaska residents, a provision prohibiting discrimination  
23 against Alaska residents and, when in the determination of the commis-  
24 sioner of natural resources it is practicable, a provision requiring  
25 compliance with the Alaska Plan, all in accordance with the provisions  
26 of this chapter.

27 \* Sec. 4. AS 38.40.050(a) is amended to read:

28 (a) The provisions of this chapter apply to all employment which  
29 is a result of oil and gas leases, easements, leases or right-of-way

1 permits for oil or gas pipeline purposes, unitization agreements or any  
2 renegotiation of any of the preceding to which the state is a party after  
3 July 7, 1972, and to leases, easements or right-of-way permits issued  
4 by the state for land within the area withdrawn as "reserved use land"  
5 under AS 44.06.130 for the site of the new capital city; however, the  
6 activity which generates the employment must take place inside the state  
7 and it must take place either on the property under the control of  
8 the person subject to this chapter or be directly related to activity  
9 taking place on the property under his control and the activity must  
10 be performed directly for the person subject to this chapter or his  
11 contractor or a subcontractor of his contractor or a supplier of his  
12 contractor or subcontractor.

13 \* Sec. 5. AS 39.50.200(9) is amended by adding a new subparagraph to  
14 read:

15 (MM) New Capital City Site Planning Commission (AS 44.-  
16 06.210).

17 \* Sec. 6. No less than 10 per cent of the state land within the bounds  
18 of the area selected under AS 44.06.150 shall be made available for homesite  
19 entry in accordance with the provisions of the Alaska Land Act (AS 38). The  
20 director of the division of lands shall classify, survey and plat for homesite  
21 entry the land available which is suitable for erection of residential  
22 dwellings to use as permanent abodes. No later than December 15, 1977, the  
23 director shall adopt regulations under the Administrative Procedure Act  
24 (AS 44.62) for the implementation of this section. The Administrative  
25 Regulation Review Committee shall, no later than February 15, 1978, make for-  
26 mal recommendations with respect to annulment or amendment of regulations  
27 adopted by the director, which, in the opinion of the committee, fail to  
28 implement, interpret or carry out the policies and objectives of this Act.  
29 The recommendations of the committee shall be transmitted to the Second

1 Session of the Tenth Alaska Legislature.

2 \* Sec. 7. This Act takes effect immediately in accordance with AS 01.10.-  
3 070(c).

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