

Original sponsors: Croft, Colletta,  
Willis, et al

Offered: 5/10/77  
For Today's Calendar

1 IN THE SENATE

BY THE RULES COMMITTEE

2

HOUSE CS FOR CS FOR SENATE BILL NO. 27 (Rules)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - FIRST SESSION

5

A BILL

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

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

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\* 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.

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

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

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Sec. 44.06.200. LEGISLATIVE INTENT. It is the intent of the  
legislature in enacting secs. 200 - 300 of this chapter that the plan-  
ning and development process attending relocation of the seat of govern-  
ment provide both an incentive and a means to achieve quality develop-  
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) Two state senators chosen by the president of the senate and  
12 two state representatives chosen by the speaker of the house shall serve  
13 as ex officio nonvoting members of the commission.

14           (c) Voting members of the commission are entitled to receive \$100  
15 a day for their service on the commission, and per diem and travel  
16 expenses authorized by law for other boards and commissions.

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

25           Sec. 44.06.240. DUTIES OF THE COMMISSION. (a) The purpose of the  
26 commission is to prepare a detailed plan for development of the new  
27 capital city site within the guidelines enumerated in this chapter. A  
28 detailed plan for initial development shall be proposed in the context  
29 of a prospective plan for additional development. In this section,

1 reference to "initial development" means the transfer to the new capital  
2 city site by October 1, 1980 of each of the following branches or  
3 offices of state government, including provisions for staff necessary  
4 for the support of each:

5 (1) the Office of the Governor, including the lieutenant  
6 governor, and appropriate staff;

7 (2) the legislature, Legislative Affairs Agency, the divi-  
8 sions of legislative finance and legislative audit, and temporary staff  
9 to provide services necessary to support the First Session of the  
10 Twelfth Alaska Legislature at the new capital city; and

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

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

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

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

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

16 (1) perform physical and geotechnical site-specific analysis  
17 and related mapping;

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

29 (3) provide a comprehensive assessment of the social, economic

1 and environmental impact on the Matanuska-Susitna Borough and the City  
2 and Borough of Juneau in accordance with generally accepted standards  
3 for these procedures; the assessment shall emphasize the effect of  
4 governmental relocation on all items listed in sec. 240(c) of this  
5 chapter;

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

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

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

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

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

29 (f) In conjunction with plans for initial and additional

1 development, the commission shall conduct a cost analysis of potential  
2 costs to the state for the move proposing construction schedules and  
3 related cost studies. This analysis shall evaluate all necessary one-  
4 time costs for equipment, materials and services for planning, design,  
5 construction and occupation of all facilities required to be constructed  
6 by the state. The costs shall include, but not be limited to, escala-  
7 tion for inflation, personnel moving costs, potential financing costs,  
8 indemnification costs, and potential economic impact costs to the  
9 Matanuska-Susitna Borough and the City and Borough of Juneau. These  
10 one-time costs shall be separately evaluated for initial development and  
11 for proposed additional development. The commission shall also sepa-  
12 rately evaluate life cycle costs in accordance with state law, not to  
13 exceed 15 years after the effective date of this Act, of those state  
14 facilities contemplated under initial and additional development. In  
15 addition, the commission shall

16 (1) develop comparative life cycle costs for the next 15  
17 years following the effective date of this Act on construction, opera-  
18 tion, and maintenance of existing and future facilities in Juneau; for  
19 purposes of this comparison, Juneau hypothetically remains the seat of  
20 government;

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

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

26 (g) A complete financial plan which contains the elements outlined  
27 in (f) of this section, including an investigation of funding alterna-  
28 tives, shall be presented to the legislature along with the initial  
29 development plan no later than February 15, 1978. During fiscal year

1 1979, the state shall also provide funding for an economic diversifi-  
2 cation study in an effort to determine viable future economic alterna-  
3 tives for the City and Borough of Juneau. This study shall be completed  
4 on or before July 1, 1980.

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

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

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

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

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

29 (b) All financial reports, estimates, alternatives and analyses

1 shall clearly delineate funds projected to be provided by the state  
2 general fund, state bonds, and all other state sources from funds to be  
3 provided by local government, private enterprise sources, and the  
4 federal government. Sources of local government revenue shall be  
5 specified.

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

11 Sec. 44.06.290. TERMINATION. The commission established in sec.  
12 210 of this chapter expires June 30, 1982.

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

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

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

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

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

17 (MM) New Capital City Site Planning Commission (AS 44.-  
18 06.210).

19 \* Sec. 6. No less than 15 per cent of the state land within the bounds of  
20 the area designated by the Capital Site Selection Committee as North Willow  
21 shall be made available for homesite entry in accordance with the provisions  
22 of the Alaska Land Act (AS 38). The director of the division of lands shall  
23 classify, survey and plat for homesite entry the land available which is  
24 suitable for erection of residential dwellings to use as permanent abodes.  
25 No later than December 15, 1977, the director shall adopt regulations under  
26 the Administrative Procedure Act (AS 44.62) for the implementation of this  
27 section. The Administrative Regulation Review Committee shall, no later than  
28 February 15, 1978, make formal recommendations with respect to annulment or  
29 amendment of regulations adopted by the director, which, in the opinion of

1 the committee, fail to implement, interpret or carry out the policies and  
2 objectives of this Act. The recommendations of the committee shall be trans-  
3 mitted to the Second Session of the Tenth Alaska Legislature.

4 \* Sec. 7. This Act takes effect immediately in accordance with AS 01.10.-  
5 070(c).

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