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Referred: State Affairs
and Finance

1 IN THE SENATE

BY COGHILL

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SENATE CONCURRENT RESOLUTION NO. 16

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FOURTEENTH LEGISLATURE - FIRST SESSION

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Relating to a proposed state lease-pur-

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chase project in Anchorage and to other

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pending state capital projects.

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

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WHEREAS an abundance of quality commercial office space now exists in

10 Anchorage; and

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WHEREAS the state proposes to enter into a contract to construct more

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office space in Anchorage on a lease-purchase basis that the executive

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branch alleges is not subject to legislative review; and

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WHEREAS the state is facing a reduction in revenue, and the legisla-

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ture must seriously investigate methods of holding down the cost of state

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government; and

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WHEREAS the addition of 350,000 square feet of government office space

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in Anchorage will have a negative effect on other private office space in

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Anchorage; and

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WHEREAS the legality of the lease-purchase approach is questionable;

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and

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WHEREAS an attorney general's opinion was issued October 14, 1983, to

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commissioners Lisa Rudd and Daniel Casey on the lease-purchase approach,

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and that opinion reached the following conclusion: "We believe there is

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sufficient authority under existing law to finance the construction of a

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public facility by lease. However, because this financing technique is not

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specifically authorized by law, we cannot with absolute certainty advise

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you that a court would agree with our opinion. You should make allowance

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for this risk when you plan further development of each project to be

1 financed by the lease-purchase method."; and

2 WHEREAS many multi-million dollar capital projects proposed by the
3 state have been authorized but have not yet been started; and

4 WHEREAS the administration may be negotiating additional lease-
5 purchase agreements;

6 BE IT RESOLVED by the Alaska State Legislature that it respectfully
7 requests the Governor to direct the Department of Administration to refrain
8 from entering into the proposed lease-purchase agreement for Anchorage
9 office space as well as other lease-purchase agreements for other office
10 space that may be contemplated by the administration; and be it

11 FURTHER RESOLVED that the Alaska State Legislature respectfully re-
12 quests the Governor to suspend immediately all authorized capital projects,
13 with the exception of the construction of school buildings, water and sewer
14 projects, and hospital and health service projects, pending legislative
15 investigation and review.

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