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Offered: 6/19/81
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 603 (Finance)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to relocation of the state capital:
7 repealing and reenacting the law enacted by the ini-
8 tiative popularly known as the 'FRANK Initiative' to
9 provide for the determination of the costs of capital
10 relocation, amending laws relating to the New Capital
11 Site Planning Commission, and conditionally repealing
12 laws relating to relocation of the state capital."

13

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

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* Section 1. AS 44.06.196 is repealed and reenacted to read:

15

Sec. 44.06.196. CAPITAL RELOCATION EXPENDITURES. (a) Except for
16 money used for planning, design, studies, and field investigations in
17 accordance with the provisions of AS 44.06.200 - 44.06.299, state money
18 may be spent to relocate the state capital from its present location to
19 the new capital site at Willow only after a majority of those voting on
20 the proposition at the 1982 general election have approved a ballot
21 proposition that includes the total cost to the state of providing for
22 completion of relocation of a functional state capital at the new
23 capital site at Willow as provided in this section.

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(b) The ballot proposition prepared and submitted to the voters
25 under this section shall also show:

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(1) the amount of the total cost that it is estimated may be
27 defrayed by the net proceeds from disposal of land in the new capital
28 site at Willow;

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(2) the estimated cost, through the relocation completion

1 date, of providing for new or expanded facilities in Juneau and else-
2 where to accommodate estimated growth in state government if the capital
3 is not relocated;

4 (3) an estimate of the number of central state employees who
5 are reasonably expected to be relocated from Juneau and from other
6 existing, named locations to the new capital site at Willow; the esti-
7 mate prepared under this paragraph shall be prepared in a manner con-
8 sistent with the methodology used by the commission in determining the
9 estimate in its 1978 report of the number of central state employees
10 who are reasonably expected to be relocated to the new capital site at
11 Willow, and the estimate shall be supported by information obtained
12 from each of the branches of government;

13 (4) an estimate of the population reasonably expected to
14 reside at the new capital site at Willow on the relocation completion
15 date; the estimate prepared under this paragraph shall be based on the
16 number of central state employees who are reasonably expected to be
17 relocated to the new capital site at Willow estimated under (3) of this
18 subsection; and

19 (5) the estimated costs, through the relocation completion
20 date, of

21 (A) capital improvements;

22 (B) relocation of personnel and equipment; and

23 (C) indemnification under AS 44.08.

24 (c) The sum of the following costs, as estimated by the commis-
25 sion, shall be the total cost to the state that shall be included in
26 the ballot proposition submitted to the voters under this section:

27 (1) the cost to the state as of the relocation completion
28 date of the land development, capital improvements, equipment, and
29 furnishings necessary to provide a functional state capital;

1 (2) the cost to the state as of the relocation completion
2 date of relocating the central state employees and their dependents and
3 household goods to the new capital site at Willow;

4 (3) the cost to the state as of the relocation completion
5 date of moving offices, office equipment, and office contents suffi-
6 cient to accommodate the central state employees at the new capital
7 site at Willow;

8 (4) the cost to the state as of the relocation completion
9 date of the indemnification requirements of AS 44.08;

10 (5) the cost to the state of the plans, designs, studies,
11 and field tests for relocation of the capital through the relocation
12 completion date;

13 (6) the cost to the state of the elements set out in the
14 basic development plan described in (d) of this section, including
15 payments deferred beyond the relocation completion date, to the extent
16 those costs are related to relocation and are not otherwise provided
17 for in items (1) - (5) of this subsection; and

18 (7) the cost to the state of financing the costs specified
19 in this subsection.

20 (d) To estimate the costs under (c) of this section, the commis-
21 sion shall prepare a basic development plan. The commission shall
22 prepare the basic development plan by revising the detailed development
23 plan and cost estimates prepared by the commission in its report of
24 March 15, 1978, in accordance with the provisions of AS 44.06.235 and
25 this section. In making its revision, the commission shall revise
26 those assumptions in the detailed development plan, if any, that are
27 shown by substantial evidence to be erroneous and shall use the average
28 rate of growth for central state positions and the average annual rate
29 of inflation for construction costs and for other costs for the preced-

1 ing 10 years, taking into account any unusual growth or decline in
2 growth caused by special circumstances. However, in estimating costs
3 under (c) of this section, if public money is used for the development
4 of facilities that will be conveyed to persons for private use and the
5 public money will be recovered over a period of years, the estimated
6 cost of the facility, for purposes of providing a cost estimate under
7 (c) of this section, is the estimate of the difference between the
8 amount expected to be recovered and the amount that would have been
9 recovered if the public money had been invested over the same period of
10 years at the average rate of return for investments made under AS 37.-
11 10.070.

12 (e) The commission shall prepare an estimate of the net proceeds
13 reasonably expected to be received from the disposal of land at the new
14 capital site at Willow through the relocation completion date. For
15 purposes of this estimate, "net proceeds" means the increased value of
16 lands expected to be disposed of if relocation occurs less the current
17 value of those lands to the state in the absence of relocation of the
18 state capital, taking into account the likelihood of disposal of those
19 lands and of their producing revenue to the state.

20 (f) In estimating costs through the relocation completion date of
21 providing for new or expanded facilities in Juneau and elsewhere in the
22 absence of relocation, the commission shall

23 (1) exclude from its estimates the costs of facilities that
24 would be required in Juneau and elsewhere even if relocation of the
25 state capital were to proceed;

26 (2) use the same projections for growth in state government
27 that it uses in preparing the basic development plan under (d) of this
28 section and the cost estimates for the new capital site at Willow; and

29 (3) base its estimate of total space to accommodate its

1 estimate of the growth of state government on the state's past and
2 current practice of providing public facilities at Juneau and else-
3 where.

4 (g) In making its estimates, the commission shall neither over-
5 state nor understate the costs, but rather shall make the most realis-
6 tic estimates possible with the evidence available to it.

7 (h) The commission shall, on August 16, 1982, provide the legis-
8 lature, the governor, the lieutenant governor, the director of elec-
9 tions, and the public with its basic development plan and a report
10 setting out the cost estimates required by this section and the number
11 of central state employees to be relocated from existing, named loca-
12 tions to the new capital site at Willow.

13 (i) After receipt of the report of the commission, the director
14 of elections shall prepare a ballot proposition in accordance with this
15 section and place it on the ballot at the 1982 general election.

16 (j) If the ballot proposition provided for in this section is
17 approved by a majority of the votes cast on the question, an amount
18 equal to the estimate of total costs may be expended to complete re-
19 location of the capital. If the ballot proposition is rejected by a
20 majority of those voting on the proposition, the Capital Relocation
21 Initiative (AS 44.06.100 - 44.06.190), the "FRANK Initiative" as
22 amended (AS 44.06.195, 44.06.196), the laws establishing the New
23 Capital Site Planning Commission (AS 44.06.200 - 44.06.299), and the
24 Relocation Indemnification Act (AS 44.08) are repealed.

25 (k) In this section

26 (1) "central state employees" means employees principally
27 involved in matters that concern statewide activities of the state
28 government rather than regional or local activities of the state
29 government;

1 (2) "functional state capital" means a city that has the
2 public buildings, public utilities, access roads, streets, and other
3 facilities necessary to meet the operational needs of state government
4 and to accommodate the numbers and classifications of central state em-
5 ployees estimated in (b) of this section, the population estimated in
6 (b) of this section, and the general public;

7 (3) "relocation completion date" means the date that the
8 commission, based on substantial evidence, estimates is the earliest
9 practical date by which a functional state capital can be established
10 in the new capital site at Willow.

11 * Sec. 2. AS 44.06.210(c) is amended to read:

12 (c) The members are entitled to receive \$200 [\$100] per day for
13 their service on the commission and per diem and travel expenses as
14 authorized by law.

15 * Sec. 3. AS 44.06 is amended by adding a new section to read:

16 Sec. 44.06.235. PLANS. (a) The purpose of the commission is to
17 prepare detailed plans for development of the capital site within the
18 guidelines enumerated in this chapter.

19 (b) A basic development plan shall be completed in time to meet
20 the requirements of AS 44.06.196 and shall be subject to public comment
21 during its formulation. Following completion of the basic development
22 plan, the commission shall make public presentations of it throughout
23 the state.

24 (c) The basic development plan shall

25 (1) include, but need not be limited to, the following
26 elements: government facilities, community facilities, transportation,
27 public utilities, communication facilities, commercial and industrial
28 development, residential development, resources, and environmental
29 aspects; however, the plan shall assume that the development of com-

1 merchial, industrial, and residential facilities shall be provided by
2 the private sector to the maximum extent feasible;

3 (2) include provisions addressing each element described in
4 (1) of this subsection in terms of its social and economic impact;

5 (3) address governmental jurisdictions, including statements
6 as to the appropriate planning and development authority and recommenda-
7 tions as to the forms and powers of the local government; and

8 (4) develop a planning and implementation work program.

9 (d) The commission shall perform physical and geotechnical site-
10 specific analysis and related mapping.

11 (e) The commission shall conduct an analysis of the opportunity
12 for the reorganizing and regionalization of state government, and
13 develop a list of executive agencies that are expected to be located in
14 the capital. This list shall include the offices to be moved, the
15 number of personnel to be employed in those offices, and the anticipated
16 required office space for that number of persons. This list shall be
17 used for capital site planning purposes only, and is not binding as to
18 which executive agencies may be located in the capital. The commission
19 shall then develop a relocation phasing plan.

20 (f) The commission shall recommend to the legislature the type of
21 development entity that would be responsible for capital city develop-
22 ment as well as the powers and authority that should be vested in this
23 development entity.

24 (g) The commission shall conduct a cost analysis that includes
25 proposed construction schedules and related cost studies including but
26 not limited to construction costs and escalation and energy-efficient
27 construction costing. The commission shall also prepare financing
28 analysis including the investigation of funding alternatives and sub-
29 mission of a recommended financial plan to the legislature.

1 (h) The commission shall determine the environmental and use
2 permits necessary for the construction of the capital and shall recom-
3 mend to the legislature any possible methods to expedite this process
4 while protecting the environmental quality of the area.

5 (i) The commission may undertake other activities as are appropri-
6 ate 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 (j) The commission shall provide a comprehensive assessment of
10 the social, economic and environmental impact on the Matanuska-Susitna
11 Borough and the City and Borough of Juneau in accordance with generally
12 accepted standards for these procedures. The assessment shall emphasize
13 the effect of governmental relocation on all items listed in this
14 section.

15 * Sec. 4. AS 44.06 is amended by adding new sections to read:

16 Sec. 44.06.270. GENERAL DEVELOPMENT PLAN. (a) Simultaneously
17 with the preparation of the basic development plan under AS 44.06.196(d)
18 and 44.06.235(b), the commission shall begin preparation of a general
19 development plan for the new capital site at Willow. To the extent
20 that they are not adequately covered by the basic development plan
21 prepared by the commission, the general development plan shall include,
22 but is not limited to,

23 (1) an estimate of the proposed uses of land throughout the
24 entirety of the new capital site at Willow, with a general allocation
25 of the amounts and proportions of land to be devoted to governmental,
26 residential, commercial, industrial, institutional, and public uses,
27 and indicating the anticipated population and building densities for
28 the new capital site at Willow based on the proposed uses of the land;

29 (2) an estimate of the cost, number, nature, and general lo-

1 cations of governmental and institutional facilities relating to use of
2 the site as the new capital of the state, public transportation and ma-
3 jor arterial street systems, parks and recreational facilities, water,
4 sewer and drainage systems, electric, telephone and other energy or
5 communications systems or utilities, and health, educational and com-
6 munity facilities;

7 (3) the approximate time schedule for the stages of develop-
8 ment of the new capital site at Willow with reference to both the vari-
9 ous parts of the new capital site and to the various types or categories
10 of land uses proposed;

11 (4) the means of financing the facilities described in (2)
12 of this subsection, the anticipated sources of money for completion of
13 the facilities, and the means by which borrowed money required to com-
14 plete the facilities is to be repaid; and

15 (5) any additional statements or documentation that the
16 commission considers necessary or appropriate.

17 (b) The commission shall include in the general development plan
18 an estimate of

19 (1) the minimum acreage of land to be allocated for the lo-
20 cation and construction of state offices and related state facilities;
21 and

22 (2) the minimum acreage of land to be set aside and allo-
23 cated for parks, lakes, recreation and open space use, that, when de-
24 veloped, is available for the use and enjoyment of the general public.

25 (c) The commission shall hold at least one hearing in each judi-
26 cial district of the state to receive comments from interested parties
27 on the general development plan proposed by the commission. Each hear-
28 ing shall be held in a community of the state selected by the commis-
29 sion. Public notice of a hearing under this subsection shall be given

1 by the commission by publication in a newspaper of general circulation
2 in the community.

3 (d) Following the completion of public hearings, the commission
4 shall approve the general development plan. The plan may be approved
5 with or without amendment. To be adopted, the general development plan
6 requires approval by at least two-thirds vote of the full membership of
7 the commission upon a finding that the plan is in accordance with and
8 furthers the purposes of this chapter. The commission shall submit the
9 general development plan to the assembly of the Matanuska-Susitna Bor-
10 ough and becomes effective only after review and comment by the assem-
11 bly. The assembly shall submit its comments on the general development
12 plan to the commission not later than 60 days after submission of the
13 plan to the assembly.

14 (e) Major amendments to the general development plan may be made
15 in accordance with the same procedure set out in this section for ap-
16 proval of the plan. Minor amendments of limited application may be
17 made without following the procedure of this section. However, when
18 adopting a minor amendment, the commission shall publish notice of the
19 proposed amendment that it considers appropriate and shall invite
20 written comments on the proposed amendment before its adoption.

21 (f) An amendment to the general development plan takes effect on
22 the date set by the commission. However, a major amendment may not
23 take effect unless it is reviewed by the Matanuska-Susitna Borough in
24 accordance with (d) of this section.

25 Sec. 44.06.280. SPECIFIC DEVELOPMENT PLANS. (a) Simultaneously
26 with the preparation of the basic development plan under AS 44.06.196(d)
27 and 44.06.235(b), the commission shall also begin preparation of one or
28 more specific development plans for the new capital site at Willow. A
29 specific development plan includes, but is not limited to,

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- (1) a description of the area to be developed;
- (2) a detailed and specific statement of the proposed uses in the area to be developed, including proposed locations of all buildings and structures;
- (3) a general description of the land-use restrictions or covenants proposed for the area to be developed;
- (4) a map of the existing and proposed transportation and utility systems in the area to be developed;
- (5) a statement of the methods by which the property in the area to be developed may be disposed of;
- (6) a statement of the relationship between the specific development plan and the general development plan; and
- (7) any additional statements or documentation that the commission considers necessary or appropriate.

(b) A specific development plan shall be approved by the commission only after the general development plan has been adopted by the commission. A specific development plan becomes effective only after review and comment by the assembly of the Matanuska-Susitna Borough. The assembly shall submit its comments within 60 days of submission of the plan to the assembly.

(c) Amendments to a specific development plan may be made according to the procedure established in this section for approval of a specific development plan.

(d) The commission shall record a specific development plan and any amendments in the appropriate recording district.

(e) A specific development plan constitutes the controlling document and land use plan for the area to be developed.

(f) Approval of a specific development plan is an amendment to the relevant portion of the general development plan. A specific de-

1 velopment plan which constitutes a substantial change from the general
2 development plan is subject to the provisions applicable to amendments
3 to the general development plan under AS 44.06.270(d) and (e).

4 Sec. 44.06.290. LAND. Land within the new capital site reserved
5 by the commissioner of natural resources under AS 44.06.130 as "reserved
6 use land" may not be classified and made available for homesites under
7 AS 38.08.

8 Sec. 44.06.299. DEFINITION. In AS 44.06.195 - 44.06.299, "com-
9 mission" means the New Capital Site Planning Commission.

10 * Sec. 5. AS 44.06.230 is repealed.

11 * Sec. 6. FILLING VACANCIES IN COMMISSION MEMBERSHIP; MEETING. Within
12 15 days after the effective date of this Act, the governor shall fill any
13 vacancies in the membership of the New Capital Site Planning Commission and
14 shall call the first meeting of the commission.

15 * Sec. 7. REPORTS. The New Capital Site Planning Commission shall
16 provide reports of its work under AS 44.06.196, 44.06.235, and 44.06.270 -
17 44.06.299 by April 15, 1982, and August 16, 1982. These reports shall be
18 distributed to the governor, presiding officers of the legislature, chief
19 justice of the supreme court, and the general public.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB 602
HB 603 ✓

June 3, 1981

The Honorable Jim Duncan
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting two bills on capital relocation. The bills are options. Either will suffice. One or the other should be enacted.

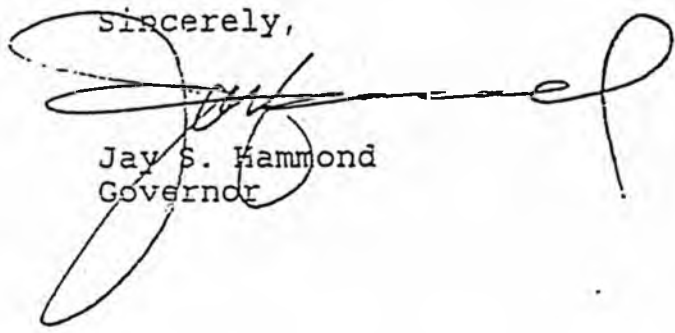
The first bill does not amend the FRANK Initiative. It provides rather for an impartial, nonpartisan update of the cost data developed by the New Capital Site Planning Commission by a panel of certified public accountants. The panel is required to correct any assumptions in the plan or in the statutes which substantial evidence shows are erroneous. It also requires the panel not to overstate or understate costs, but rather to make the most realistic estimates possible with the evidence available. The panel is to report its results in August 1982, and the director of elections will place the costs on the ballot for voter approval or disapproval at the November 1982 general election.

The second bill amends the FRANK Initiative rather than merely updating it. It provides for a revitalized New Capital Site Planning Commission to revise its previous work and to go forward with its planning in much the same manner as provided by the latest version of Senate Bill 86. As with the panel of certified public accountants, the commission is under a duty to correct the false assumptions, if any, which are shown to exist in its previous plan or in the statutes, and it is also under a duty not to overstate or understate costs.

Because this option amends the FRANK Initiative, the ballot question will include additional information on the cost of the relocation. But the basic question on costs remains the same under either option: all of the costs. That is what the voters want to vote on.

I urge prompt passage of one of these measures.

Sincerely,



Jay S. Hammond
Governor