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Introduced: 6/3/81
Referred: State Affairs and
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 586

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."
11

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

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 AS 44.06.196 is repealed and reenacted to read:

14 Sec. 44.06.196. CAPITAL RELOCATION EXPENDITURES. (a) Except for
15 money used for planning, design, studies, and field investigations in
16 accordance with the provisions of AS 44.06.200 -- 44.06.290, state
17 money may be spent to relocate the state capital from its present
18 location to the new capital site at Willow only after a majority of
19 those voting on the proposition at 1982 general election have
20 approved a ballot proposition which includes the total cost to the
21 state of providing for completion of relocation of a functional state
22 capital at the new capital site at Willow as provided in this section.

23 (b) The ballot must contain an estimate from each of the branches
24 of government of the number of central state employees reasonably ex-
25 pected to be relocated by it from Juneau and other existing, named lo-
26 cations to the new capital site at Willow and a breakdown of costs es-
27 timated by the commission for capital improvements, relocation of per-
28 sonnel and equipment, and indemnification under AS 44.08. The sum of
29 the following, as estimated by the New Capital Site Planning Commis-
sion, shall be the costs submitted to the voters on the ballot proposi-

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1 tion:

2 (1) the cost to the state as of the relocation completion
3 date of the land development, capital improvements, and furnishings ne-
4 cessary to provide a functional state capital;

5 (2) the cost to the state as of the relocation completion
6 date of relocating the central state employees and their dependents and
7 household goods to Willow;

8 (3) the cost to the state as of the relocation completion
9 date of moving offices, office equipment, and office contents suffi-
10 cient to accommodate the central state employees at Willow;

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

13 (5) the cost to the state of the plans, designs, studies,
14 and field tests for relocation of the capital through the relocation
15 completion date;

16 (6) the cost to the state of the elements set out in the de-
17 tailed development plan described in AS 44.06.230, including payments
18 deferred beyond the relocation completion date, to the extent those
19 costs are not otherwise provided for in items (1) - (5) of this subsec-
20 tion; and

21 (7) the cost to the state of financing the costs specified
22 in this section.

23 (c) The New Capital Site Planning Commission shall make the cost
24 estimates provided in (b) of this section by updating its detailed de-
25 velopment plan and cost estimates of March 15, 1978, to reflect the
26 passage of time. In making its update, the commission shall revise
27 those assumptions in the plan, if any, which are shown by substantial
28 evidence to be erroneous and shall use the average rate of growth for
29 central state positions and the average annual rate of inflation for

1 construction costs and for other costs for the preceding 10 years, tak-
2 ing into account any unusual growth or decline in growth caused by spe-
3 cial circumstances.

4 (d) The commission shall update its estimate of the net proceeds
5 (increased value less current value) reasonably expected to be received
6 from the disposal of land at the capital site through the relocation
7 completion date. The commission shall also estimate the costs for con-
8 struction of new or enlarged public facilities or new or expanded
9 leases at Juneau through the relocation completion date, based on the
10 state's past and current practice of providing public facilities at
11 Juneau, which may reasonably be expected not to be incurred by the
12 state, if the capital is relocated by the relocation completion date.
13 These costs and the net proceeds from land disposal, together with the
14 total costs of relocation, as estimated under (b) of this section,
15 shall be included in the explanation in the Official Election Pamphlet
16 (AS 15.58) of the proposition prepared under (a) of this section.

17 (e) In making its estimates, the commission shall neither over-
18 state nor understate the costs, but rather shall make the most realis-
19 tic estimates possible with the evidence available to it.

20 *Too late for Leg. input.*
21 (f) The commission shall, on August 16, 1982, provide the legis-
22 lature, the governor, the lieutenant governor, the director of elec-
23 tions, and the public with its updated plan and a report setting out
24 the cost estimate required by this section and the number of central
25 government employees to be relocated from existing, named locations to
26 the new capital.

27 (g) After receipt of the report of the commission, the director
28 of elections shall prepare a ballot proposition in accordance with (a)
29 of this section and place it on the ballot at the 1982 general election.

(h) In this section

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(1) "functional state capital" means a city which has the public buildings, public utilities, access roads, streets, and other facilities necessary to meet the operational needs of state government and to accommodate the numbers and classifications of central state employees estimated in (b), the population estimated in (b), and the general public;

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(2) "central state employees" means employees principally involved in matters which concern statewide activities of the state government rather than regional or local activities of the state government; and

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Good (3) "relocation completion date" means the date which the commission, based on substantial evidence, estimates is the earliest practical date by which a functional state capital can be established in Willow.

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

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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 the commission
16 corporation 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, which, 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 which it considers appropriate and shall invite
20 written comments on the proposed amendment before its adoption. An
21 amendment to the general development plan takes effect on the date set
22 by the commission. However, a major amendment may not take effect un-
23 less it is reviewed by the Matanuska-Susitna Borough in accordance with
24 (d) of this section.

25 Sec. 44.06.280. SPECIFIC DEVELOPMENT PLANS. (a) After adoption
26 of the general development plan, the commission shall also prepare one
27 or more specific development plans for the new capital site at Willow.
28 A specific development plan includes, but is not limited to,

- 29 (1) a description of the area to be developed;

1 (2) a detailed and specific statement of the proposed uses
2 in the area to be developed, including proposed locations of all build-
3 ings and structures;

4 (3) a general description of the land-use restrictions or
5 covenants proposed for the area to be developed;

6 (4) a map of the existing and proposed transportation and
7 utility systems in the area to be developed;

8 (5) a statement of the methods by which the property in the
9 area to be developed may be disposed of;

10 (6) a statement of the relationship between the specific de-
11 velopment plan and the general development plan; and

12 (7) any additional statements or documentation which the
13 commission considers necessary or appropriate.

14 (b) A specific development plan shall be approved by the commis-
15 sion. A specific development plan becomes effective only after review
16 and comment by the assembly of the Matanuska-Susitna Borough. The as-
17 sembly shall submit its comments within 60 days of submission of the
18 plan to the assembly.

19 (c) Amendments to a specific development plan may be made accord-
20 ing to the procedure established in this section for approval of a spe-
21 cific development plan.

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

24 (e) A specific development plan constitutes the controlling docu-
25 ment and land use plan for the area to be developed.

26 (f) Approval of a specific development plan is an amendment to
27 the relevant portion of the general development plan. A specific de-
28 velopment plan which constitutes a substantial change from the general
29 development plan is subject to the provisions applicable to amendments

1 to the general development plan under AS 44.06.270(d) and (e).

2 Sec. 44.06.290. As used in AS 44.06.195 - 44.06.290, the word
3 "commission" means the New Capital Site Planning Commission.

4 * Sec. 3. FILLING VACANCIES IN COMMISSION MEMBERSHIP; MEETING. Within 15
5 days after the effective date of this Act, the governor shall fill any
6 vacancies in the membership of the commission and shall call the first
7 meeting of the commission.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

SB 585
584

June 3, 1981

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. President:

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

THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

We have read about what many people have written about the Capital Move Issue and respected all of their views because we believe people should be able to express themselves to the full. We thank the Juneau Empire for granting us this privilege.

We are now going to express ourself about the Capital Move Issue, and our opinion is based on many months of research and study.

We wish this community to take notice that the Capital Move Issue is pending in the United States District Court in Juneau, Alaska, and that we have all intention of resolving it once and for all to everyone's satisfaction. We will never let it die until it is. We are firm on this. We are still searching for a constitutional trial lawyer who can help us.

We are alleging that we have the Capital and that it cannot be moved anywhere because of its private character. This statement is based on Alaska and other settled law. This Capital is property which cannot be reached by an initiative because we are still under territorial law and are considered a "federal district within a state". Territorial law is different from state law. They are two different sovereignties.

Private property does not change from territory to state; it remains the same.

For the people who have been here since 1874 you will recall we had what is called a so-called "vote of the people" to move this Capital from Juneau to Willow, Alaska, but from its inception we have always alleged that this vote was put through us too much of a hurry and was without due process.

So at the first meeting of the First Capital Committee in the Gold Room of the Barnard Hotel, we stood at the podium before a microphone and challenged this vote, stating that we were going to study it. Besides the committee and the press, the whole room was full of people, including Frank Harris, one of the prime sponsors of the initiative, from Anchorage.

At that time we gave Frank Harris public notice that we were challenging this issue, and the press reported this in the Southeast Alaska Empire the next day. The tape of this hearing however, was not saved.

The present Lt. Governor Terry Miller was a member of this

first committee, as he was then Senate President, and we find it difficult to remember all of the names of all of the other members, but the then Senator Terry Miller questioned us when we finished with our presentation.

He asked us what the legislature could do in this instance, and we stated that there was nothing the legislature could do because any money spent on this issue would be "money down the drain". This made it a judicial question.

Since then, according to our former Juneau City Manager Mar Winegar's figure, around 1605,000 was spent out of the city's tax funds to so-called "help this community keep the capital through the use of the Alaska Committee, to whom these funds were given.

Seventy thousand more of our tax dollars were recently also put aside by this city for this purpose, but in meetings before the Assembly we are keeping track of this money, for this is the money we hope to use for a competent constitutional trial lawyer to help us resolve this issue.

According to our State of Alaska Department of Revenue, over 25,000,000 has been spent on the Capital Move (including more tax dollars from this community) with more spent in the form of "loans" as we understand it. We want these "loans" repaid into the fund from whence they came.

All of this means that Juneau has been triply taxed. On top of the taxes we now pay to run this community, money collected for the Alaska Committee and the State of Alaska are other taxes that this community has been burdened with, and surely this is a burden that cannot be lawfully sustained. McCulloch v. Maryland, 4 Wheat. 17 US 318 (1819)

Around November of last year we wrote our congressional delegation asking them how patented land was treated in the new Alaska Lands Bill S.J. We got no answer from Senator Mike Gravel, but Senator Ted Stevens and Representative Don Young wrote back that all patented land is private property.

This Capital is all patented property!
In the Alaska Statehood Act, you will recall Congress gave Block No. 18 (on which the Capital Building sits), Block No. 33 (on which the Governor's Mansion is located) and other property in Juneau to the State of Alaska, when AS 29.73.030 states that a municipality may not be divested of its private property by

adverse possession.

The granting of a patent by Congress is an act of sovereignty. Atlas Glass Co. v. Siroon's MFG. Co., 121 Fed 841, 42 CCA 354 (cert. den. 173 US 684 mem., 215 Ct 916 mem., 45 L ed 386 mem.), so this case, in effect, is a challenge of an entire vote of the people of this state versus Congress' setting of this Capital under this patented private land 74 years ago! Both sovereigns act, so to speak. Both have "the people" in it, because as far as Congress is concerned "the people" gave Congress the power to act for us in a territory such as ours.

Another important research tool we found besides the above is the article called "Property Which Cannot be Reached by the Power of Eminent Domain in a Public Use or Purpose" in the University of Pennsylvania Law Review, Vol. 78, No. 2, December 1929 by Milton Colvin, which on page 151 states:

"Although the sovereign power in free government may appropriate all the property, public as well as private, for public use, making compensation therefor, yet it has never been understood, at least in our republic, that the sovereign power can take the private property of A and give it to B by the right of eminent domain."—Mr. Justice Story

This is an article which we turned and gave to our Mayor William Overstreet and he told us he "threw it away." Now, why would our Mayor Overstreet throw away a valuable tool such as this which helps to retain our Capital in Juneau.

Wouldn't you think he would at least give it to a constitutional scholar or our Borough Attorney Lee Sharp? Why would he just "throw it away" as he told us he did?

This article is full of examples of cases where it states that taking the private property of A and giving it to B to use for the same purpose for which it is being utilized is forbidden in America. Private property, in other words, cannot be "taken" by an initiative. It is forbidden to do this.

If this were allowed, we would have shoolz chaos in our country. No corporation with a private character, nor your home nor ours, would be safe from being "taken" by an initiative.

Once "the people" are in it, such as in the case of this Capital where Congress puts us under patented property, "the people" cannot be in it again.

To Whom it May Concern

January 16, 1981

Welcome, members of the 12th Alaska State Legislature! This will bring the new members up to date on the Capital Move Issue which we have been challenging.

As Alaska allows a person to have a competent attorney if he wishes one, this case is in abeyance until we find one. We are not a constitutional trial lawyer competent to litigate international law, which we have found this Capital to be under. Bolshenin v. Zlobin, 11 Alaska 470, 76 F. Supp. 281

So, we are challenging Sen. Bill No. 1 and any other actions by anyone to wrest this Capital away from Juneau, whoever they are, and any appropriations made by this or any future legislature will be considered a "tax" against this community. This Capital is a federal corporation made so by Congress, still under territorial law, and not subject to state taxing. If the State of Alaska has a different idea, it will be able to bring forth its facts in this litigation, which is the reasonable way to settle this issue. And we intend to settle it one way or the other to a constant cloud will not be hanging over this Capital repressing its economic development.

This is going to be a very famous case. It will prove that "this is a new invention for a Capital under United States Patents," and that one cannot take private property by an initiative for the same purpose for which it is being utilized.

Respectfully submitted, Carolyn Burg

cc: All legislators, 12th Alaska Legislature, Governor Jay Hammond, Lt. Gov. Terry Miller, Attorney General's Office, U.S. Solicitor General, U.S. Senator Ted Stevens, U.S. Rep. Don Young, U.S. Senator Frank Murkowski, Washington, D. C. and others

6-16 1981

Given before the Sen. State Affairs Com.
before the Senate State Affairs Committee

no. SB 585
CS for SB 586

We respectfully disagree with all state legislation to "take" or "fund" a new Capital of Alaska as NOTHING HAS CHANGED WITH RESPECT TO OUR POSITION.

First of all we wish to thank all of those legislators who voted with us and supported us during the period we have been researching this issue and looking for a constitutional trial lawyer. We still need a constitutional trial lawyer to close this issue once and for all, as we want the State of Alaska to sign a release on the Capital Issue. We are holding firm to everything we have stated in the civil suit placed with the U.S. District Court in Juneau, Alaska in 1979.

This Capital is a trust under the dominance of the Nation, is still under territorial law and the State of Alaska has no jurisdiction in it. Congress made this Capital a federal grant 75 years ago, Juneau owns it, and a state statute enacted subsequently to a federal grant cannot operate to vest in the State rights which either remained in the U.S. or passed to its grantee. U.S. v. Oregon, 205 US 1, 28 (1935)

We want a hearing on this in a competent court with a competent judge or judges and a ruling thereon, and we want everything we have said to be judicially noticed.

With all due respect to everyone getting this statement, we have done our homework well, and until someone can overcome our authorities, we respectfully disagree with them. This means we expect them to work backward from our authorities.

We are fighting the fight of the PRIVATE PROPERTY OWNER. To "take" private property by an initiative would "x" out everything that the government stands for - to protect us in our life, liberty and property, and put in jeopardy your home or private business or ours, and make Alaska the laughing stock of the Nation. Bolshenin v. Zlobin, 11 Alaska 470, 76 F. Supp. 28

We repeat - all initiatives, including the FRANK initiative, are unconstitutional and void and have nothing at all to do with this Capital.

Thank you. If you have any questions we would be most happy to answer them.

Respectfully submitted,

(Mrs. Amos)

Carolyn Burg
Carolyn Burg

Copies to the same people listed above, and others

THE PRECEDING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

CAPITAL MOVE STATEMENT

MAY 26, 1981

GOVERNOR JAY S. HAMMOND



I COMMEND THE HOUSE FOR ATTEMPTING TO ACCOMMODATE MY CONCERNS THAT THE INTENT OF THE MAJORITY OF ALASKANS WHO SUPPORTED THE FRANK INITIATIVE ARE CLEARLY MET. HOWEVER, THEIR BILL WOULD AMEND THE FRANK INITIATIVE IN 3 RESPECTS.

THE HOUSE VERSION FIRST FAILS TO MEET MY PRIME STIPULATION THAT "TRUE AND FULL" COSTS, WHETHER TO BE MET BY BONDS, GENERAL FUND APPROPRIATIONS, OR LAND VALUES BE CLEARLY REVEALED TO THE PUBLIC FOR THEM TO VOTE UPON. SECOND, IT REDUCES SUBSTANTIALLY THE CAPITAL CONCEPT FOR WHICH "BONDABLE" COSTS MUST BE DETERMINED UNDER "FRANK", AND THIRD IT AMENDS "FRANK" TO REPLACE THE CAPITAL SITE PLANNING COMMISSION, UPON WHICH "FRANK" PROponents HAD VIRTUALLY EQUAL REPRESENTATION, WITH A CAPITAL SITE DEVELOPMENT CORPORATION SO CONSTITUTED AS TO OVERWEIGH FRANK INITIATIVE ADVOCATES.

SINCE 69,414 ALASKANS VOTED FOR THE FRANK INITIATIVE, WHILE ONLY 46,659 VOTED FOR THE CAPITAL MOVE INITIATIVE, IT SEEMS

RATIONAL TO CONCLUDE THAT "FRANK" ADVOCATES SHOULD BE BETTER REPRESENTED ON AN ENTITY WHICH IS SUPPOSED TO DETERMINE HOW BEST TO COMPLY WITH "FRANK'S" INTENT.

REPRESENTATIVE COTTEN IN FLOOR DEBATE YESTERDAY ADMITTED THAT THE FINANCE COMMITTEE VERSION WAS "STACKED WITH PRO-MOVERS". I CANNOT ACCEPT HIS RATIONALIZATIONS FOR WHY THAT IS BENEFICIAL. FOR THE COST ESTIMATES TO HAVE ANY INTRINSIC VALUE AND BE ACCEPTED AS VALID BY THE ELECTORATE, THEY MUST BE DEVELOPED BY A PREDOMINATELY NEUTRAL PLANNING COMMISSION.

I HAVE SAID FREQUENTLY THAT I AM NOT CONCERNED OVER THE NAME OF A NEW PLANNING BODY, BUT RATHER ITS COMPOSITION AND WHAT PROCEDURES THE COMMISSION WOULD FOLLOW TO DETERMINE THE "TRUE" COST OF A "FUNCTIONAL" CAPITAL CITY -- AS REQUIRED BY THE FRANK INITIATIVE. THE HOUSE MAKEUP OF THE CAPITAL CITY DEVELOPMENT CORPORATION WOULD INSPIRE LITTLE PUBLIC FAITH AS TO THE OBJECTIVITY OF THE GROUP OR THEIR COST ESTIMATES.

HOW CAN A GROUP WHICH IS CLEARLY AN ADVOCATE FOR CREATION OF A NEW CAPITAL CITY PROVIDE COST ESTIMATES WHICH MUST BE PERCEIVED BY ALL SIDES AS UNBIASED? IF THIS ISSUE IS EVER

TO BE LAID TO REST BOTH SIDES MUST PERCEIVE COST ESTIMATES
AS VALID AND JUST.

AS ONE OBLIGATED TO REPRESENT THE VIEWS OF ALL ALASKANS, I
CANNOT PERMIT A PUBLIC INITIATIVE FOR WHICH MOST ALASKANS
VOTED TO BE SO DRASTICALLY AMENDED BY OTHER THAN THE PEOPLE
THEMSELVES. TO PERMIT ANYTHING LESS WOULD BE TO BOW TO THE
ASSERTION OF SOME THAT THE PUBLIC DID NOT KNOW WHAT THEY
WERE VOTING UPON.

MAKE NO MISTAKE, I WANT THIS ISSUE RESOLVED. ACCORDINGLY, I
PROPOSED TWO MEANS BY WHICH IT CAN BE RESOLVED ON THE 1982
BALLOT. TIME AND AGAIN, INCLUDING ONCE FOR OVER TWO HOURS
ON SUNDAY, I MET WITH LEGISLATORS ON BOTH SIDES OF THE ISSUE
AND ADVISED THEM WHAT I FELT WOULD BE ACCEPTABLE TO THE
PUBLIC AND HENCE TO MYSELF. IN FACT, MY OFFICE EVEN
PROVIDED LEGISLATORS WITH COPIES OF TWO DRAFT VERSIONS WHICH
WOULD PASS MUSTER.

THOSE LEGISLATORS WHO CLAIM TO BE IN FAVOR OF THE CAPITAL
MOVE WILL DO THEIR CAUSE NO GOOD BY SENDING ME A BILL WHICH
THEY KNOW I WILL BE FORCED TO VETO.

THE HOUSE VERSION IS A BASIS FOR SATISFACTORILY RESOLVING THIS QUESTION; HOWEVER, IT SHOULD GO TO CONFERENCE FOR FURTHER REFINEMENT.

I AM MORE THAN WILLING TO COOPERATE WITH LEGISLATIVE LEADERS TO PRODUCE A FAIR AND ACCEPTABLE BILL. BUT TO SEND ME AN UNACCEPTABLE BILL AT THIS LATE DATE IN THE SESSION WILL SIMPLY PERPETUATE A CRUEL HOAX ON THE PUBLIC AND WILL BE BUT ONE MORE EXERCISE IN THE "GAME-PLAYING" WHICH HAS ALL TOO FREQUENTLY ATTENDED LEGISLATIVE CONSIDERATION OF THE CAPITAL MOVE ISSUE. THEREFORE, BECAUSE I DO NOT WANT TO VETO A BILL AND THUS PROLONG THE AGONY WHICH WILL ATTEND THIS ISSUE SO LONG AS IT REMAINS UNRESOLVED, I AM DEPARTING FROM MY USUAL PRACTICE OF NOT ANNOUNCING IN ADVANCE WHETHER OR NOT I WILL VETO A BILL. BE ASSURED THAT IF GIVEN THE HOUSE PASSED VERSION OF THE BILL, IT WILL BE VETOED!

June 1, 1981

INDENNIFICATION

INDENNIFICATION

It is the purpose of this act to carry out the will of the people as expressed in three state-wide votes: after the people have approved the cost, to move the capital to Willow, and to do so without unnecessarily reducing the number of state employees in Juneau. The will of the people is considered binding on the executive, legislative and judicial branches.

No later than 15 days after the convening of the second session of the Twelfth Legislature the governor shall furnish to the legislature:

1. an estimate of the cost of moving the capital to Willow. The estimate shall be based on a maximum of 1,000 state employees at the new capital, exclusive of elected officials.
2. a plan to decentralize state government, assigning authority, responsibility and personnel to regional and district offices to the maximum extent possible. The plan shall clearly specify the authority, responsibility and functions reserved for employees at the capital.

Cost of remaining in Juneau

STATEMENT: HAMMOND COMMENTS ON COMPROMISE CAPITAL MOVE BILL

6-15-81

#101

FOR IMMEDIATE RELEASE

JUNEAU--Governor Jay Hammond earlier this afternoon released the following acceptance by all sides of a proposed draft of a bill which will reactivate the New Capital Site Planning Commission and charge it with producing plans for a new state capital -- plans and cost estimates which will be voted on by state voters at the November 1982 election.

The statement follows:

FOLLOWING MY VETO OF THE LEGISLATURE'S RECENT CAPITAL MOVE COST BILL I INTRODUCED TWO ALTERNATIVE BILLS, EITHER OF WHICH, I STATED, WOULD BE ACCEPTABLE. SINCE THEN, CONSTRUCTIVE NEGOTIATIONS HAVE TAKEN PLACE BETWEEN KEY PRO AND ANTI MOVE ADVOCATES WITH THE STATE'S DEPARTMENT OF LAW ACTING AS INTERMEDIARY.

I'M PLEASED TO BE INFORMED BY PARTICIPANTS THAT THEY HAVE AGREED TO A VERSION OF THE BILL WHICH SET FORTH THE 5

CRITERIA I HAVE STIPULATED AS NECESSARY TO SECURE MY
APPROVAL.

HOPEFULLY, THE LEGISLATURE WILL ACT QUICKLY TO PASS
THIS MEASURE PROVING THAT, CONTRARY TO THE ASSERTIONS OF
SOME, A FAIR AND EQUITABLE BILL CAN BE CRAFTED WHICH CAN BE
SUPPORTED BY MOST ALASKANS.

SINCE MY STATE OF THE STATE ADDRESS, I HAVE URGED
LAWMAKERS TO PASS A BILL THIS YEAR WHICH WILL REACTIVATE THE
CAPITAL SITE PLANNING COMMISSION AND GIVE THE COMMISSION THE
CHANCE TO RESTUDY THE ISSUE OF THE CAPITAL MOVE AND PRODUCE
UPDATED, ACCURATE COST ESTIMATES OF THE MOVE. I HAVE SAID
REPEATEDLY THAT TO RESOLVE THIS ISSUE - ONE OF THE MOST
DIVISIVE IN STATE HISTORY - IT IS NECESSARY FOR ALL ALASKANS
TO VOTE ONCE MORE ON A BALLOT PROPOSITION WHICH WOULD
ELIMINATE CONFLICTS PRODUCED BY VOTER PASSAGE IN 1974 OF A
INITIATIVE TO MOVE THE CAPITAL, FOLLOWED IN 1978 BY PASSAGE
OF THE "FRANK" INITIATIVE WHICH BARRED THAT MOVE UNTIL
ALASKANS APPROVED THE FULL COSTS OF SUCH A MOVE. WHEN THE
MAJORITY OF ALASKANS SUBSEQUENTLY DISAPPROVED THOSE COSTS,
THE MOVE WAS EFFECTIVELY STALEMATED. DIVISIVENESS AND
CONTENTION, HOWEVER, CONTINUED TO ESCALATE.

TO RESOLVE THIS ISSUE AND END THE DIVISIVENESS, I HAVE SAID IT IS VITAL THAT ALASKANS BE PERMITTED TO UNDERSTAND AND THEN AGAIN VOTE ON THE TRUE AND FULL COSTS OF A MOVE. MOREOVER, THOSE COST FIGURES HAD TO BE GENERATED BY A COMMISSION WHICH MOST ALASKANS BELIEVED HAD PRODUCED REALISTIC ESTIMATES OF THE TOTAL STATE COSTS OF THE MOVE.

TODAY I AM PLEASED TO SAY THAT KEY PEOPLE FROM BOTH SIDES HAVE AGREED TO JUST SUCH AN APPROACH -- ONE WHICH SETS UP THE MECHANISM FOR ALASKANS TO RATIONALLY SETTLE A COMPLEX ISSUE WHICH FOR THE PAST DECADE HAS THREATENED TO TEAR THIS STATE APART.

THE BILL, BASICALLY AN AMENDED VERSION OF ONE OF THE TWO BILLS I PROPOSED TO LAWMAKERS JUNE 2, FULLY MEETS THE FIVE CRITERIA I STIPULATED IN MY STATE OF THE STATE ADDRESS AND LATER CLARIFIED ON MARCH 13. (1) IT REQUIRES A NEW CAPITAL SITE PLANNING COMMISSION TO DETERMINE THE TRUE COSTS TO THE STATE FOR MOVING A FUNCTIONAL CAPITAL TO WILLOW SOUTH.

(2) IT REQUIRES THAT THE BALLOT IDENTIFY THE NUMBER OF
CENTRAL STATE POSITIONS TO BE MOVED TO WILLOW FROM
ELSEWHERE;

(3) IT ALLOWS THE PUBLIC TO KNOW THE TOTAL COSTS OF A
FUNCTIONAL MOVE;

(4) TO APPROVE OR REJECT THE STATE'S SHARE OF THAT
COST, AND

(5) IT DOES LAY THE ISSUE TO REST INSOFAR AS POSSIBLE.
IF THE VOTERS APPROVE THE COSTS OF RELOCATION IN NOVEMBER
1982, THE CAPITAL CAN COMMENCE MOVING TO WILLOW AS QUICKLY
AS POSSIBLE. IF THE MOVE IS NOT APPROVED ALL PRIOR
INITIATIVES ARE REPEALED AND THE CLOUD OF CONFUSION WHICH
HAS HUNG OVER SUCH THINGS AS JUNEAU'S ECONOMIC FUTURE WOULD
BE LIFTED.

THIS BILL IS FAIR. IT DOES NOT HIDE THE REVENUE THE
STATE MAY MAKE OFF SELLING LAND AT WILLOW TO OFFSET THE COST
OF A MOVE. BUT NEITHER DOES IT OVERSTATE THAT VALUE. IT
DOES NOT IGNORE THE COST OF NEW CAPITAL CONSTRUCTION WHICH
WILL BE NEEDED IN JUNEAU SHOULD REMAIN THE CAPITAL, BUT

NEITHER DOES IT OVERLOOK THE COST OF MOVING EMPLOYEES FROM
JUNEAU AND ANCHORAGE NOR INDEMNIFICATION COSTS SHOULD THE
CAPITAL MOVE TO A NEW CITY AT WILLOW SOUTH.

THE BILL PERMITS THE COMMISSION THE LATITUDE IT NEEDS
TO CORRECT THE PERCEIVED ERRONEOUS ASSUMPTIONS MADE IN
DRAFTING THE 1978 PLAN, BUT ALSO GIVES THE COMMISSION THE
ABILITY TO LOOK AT NEW EVIDENCE RELATING TO COSTS WHICH THE
EARLIER COMMISSION DID NOT HAVE.

KEY PLAYERS FROM ALL SIDES SHOULD BE CONGRATULATED FOR
TAKING TIME TO LOOK SERIOUSLY AT THE TWO BILLS I DEEMED
ACCEPTABLE AND THEN WORKING TOGETHER TO RESOLVE THIS ISSUE
IN A WAY WHICH I BELIEVE THE VAST MAJORITY OF ALASKANS WILL
AGREE IS FAIR AND EQUITABLE. I MUST GIVE SPECIAL CREDIT BY
NAME TO JIM CLARK, AN ATTORNEY REPRESENTING THE ANTI-MOVE
ALASKA COMMITTEE, AND GENERAL AND MRS. B.B. TALLEY, LEADING
PRO-MOVE EXPERTS. TOGETHER WITH ASSISTANT ATTORNEY GENERAL
ROD PEGUES THEY WORKED IN AN EXEMPLARY MANNER TO FASHION A
GOOD, WELL WRITTEN BILL.

WHEN TWO WEEKS AGO I VETOED AN UNACCEPTABLE BILL I
BELIEVED IT WAS POSSIBLE FOR MEN AND WOMEN OF REASON TO

FASHION A BILL WHICH MOST ALASKANS COULD AGREE PRESENTED A FAIR AND EQUITABLE SOLUTION TO THIS PROBLEM. IT IS WITH GRATIFICATION THAT I LEARNED THAT HAD RESULTED.

FOLLOWING ACCEPTANCE#§ OF THIS BILL BY BOTH HOUSES, I WILL MOVE QUICKLY TO APPOINT THE THREE NEW MEMBERS OF THE COMMISSION NEEDED FOR IT TO AGAIN BE ABLE TO CONDUCT ITS WORK. THE COMMISSION WILL HAVE A COMPLEX TASK, BUT ONE WHICH I AM SURE IT WILL CARRY OUT THOUGHTFULLY AND HONESTLY.

IN A DEMOCRACY THE BEST WAY TO SOLVE COMPLEX ISSUES IS TO FULLY INFORM THE PUBLIC OF ALL THE OPTIONS IT FACES, THE COSTS AND RAMIFICATIONS OF ITS ACTIONS AND THEN LET AN INFORMED ELECTORATE DECIDE THE PROPER COURSE. ALASKANS WILL HEAR MUCH ABOUT THE CAPITAL MOVE FOR THE NEXT 17 MONTHS, BUT THAT IS NOT BAD. ONLY BY FULLY UNDERSTANDING THE CHOICES INVOLVED WILL ALASKANS HAVE AN OPPORTUNITY TO GAIN THE WISDOM THEY WILL NEED TO MAKE A DECISION ON AN ISSUE OF CONSIDERABLE COMPLEXITY.

IT IS GOOD THAT ALASKANS WILL NOW GET A CHANCE TO MAKE A REASONED COLLECTIVE DECISION. NO ONE ELSE IS BETTER

QUALIFIED TO MAKE SUCH A DECISION THAN THE PEOPLE WHO MUST

LIVE WITH THE RESULT.

SUMMARY OF CS FOR SB 586 (State Affairs)
RELOCATION OF STATE CAPITAL

- 1) Ballot proposition for November 1982 election includes total cost to the state of relocating a functional state capital to Willow; this includes all items in (c)(1) through (c)(7).
- 2) Ballot will also show:
 - a) Net proceeds from land sales/leases which will defray total costs;
 - b) cost of new or expanded facilities in Juneau and elsewhere that will be required if capital is not moved;
 - c) number of central state employees to be relocated from Juneau and elsewhere (as determined by CSPC);
 - d) estimate of population at Willow site on the relocation completion date;
 - e) estimated cost of capital improvements, relocation of personnel and equipment, and indemnification.
- 3) Relocation completion date is the earliest practical date by which a functional state capital can be established at the Willow site.
- 4) Functional state capital is a city with public buildings, public utilities, access roads, streets and other facilities necessary for operation of state government and to accomodate central state employees.
- 5) Resurrects the Capital Site Planning Commission, with vacancies to be filled and the first meeting to be held within 15 days of effective date of the act.
- 6) CSPC is to revise 1978 plan, revising erroneous assumptions and using average rate of growth and rate of inflation for construction costs for the preceding 10 years. Also eliminates requirement of 30,000 population for new capital.
- 7) Allows CSPC to go forward with general and specific development plans and the ballot cost estimate simultaneously, and to fit the plan to the ground. This will speed development if relocation costs are approved by voters.
- 8) CSPC reports to governor, presiding officers of the legislature and chief justice of supreme court, and the public by April 15 and August 16, 1982.
- 9) Repealers contingent on November 1982 vote.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

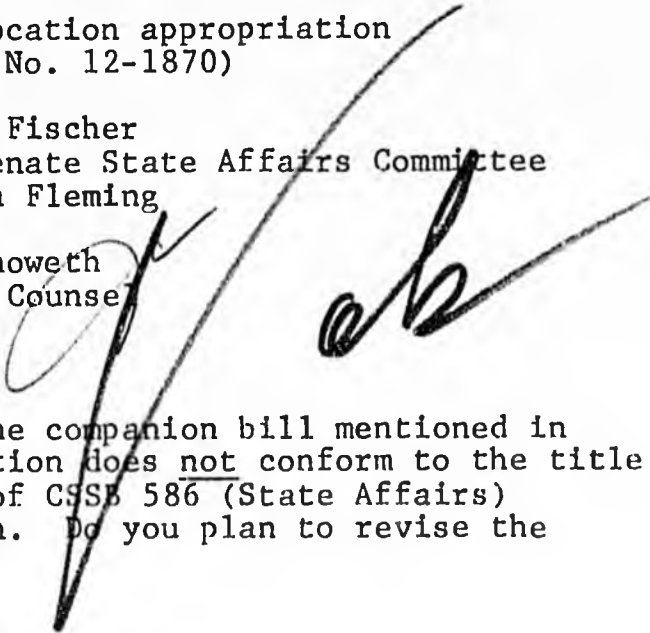
MEMORANDUM

June 12, 1981

SUBJECT: Capital relocation appropriation
(Work Order No. 12-1870)

TO: Senator Vic Fischer
Chairman, Senate State Affairs Committee
Attn: Laura Fleming

FROM: John B. Chenoweth
Legislative Counsel



I note that the title of the companion bill mentioned in
* Sec. 3 of this appropriation does not conform to the title
of the last draft version of CSSB 586 (State Affairs)
provided to you on June 9th. Do you plan to revise the
latter draft?

JBC:ljb

Enclosure

3837

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL 586
 Title Relating to the Relocation of the State Capital
 Requested by Governor Date 6/3/81

II. FISCAL DETAIL

Agency Affected _____
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
800		2,400.0*				
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	--	2,400.0*	--			
FEDERAL FUNDS	--	--	--			
OTHER (Specify Fund Source)	--	--	--			

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Due to extensive research conducted in estimating costs relative to CSSB86, those figures have been used for this Fiscal Note.

*Due to the nature of the project, this should be funded as a continuing appropriation.

IV. DATE June 4, 1981 PREPARED BY Rod Murrant
 AGENCY Office of the Governor
 PHONE 465-3500

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

