

H C R

52

HCR 52:

Kate: on behalf of Ulmer
Paul Volkers: Am. Inst of Architects
Supports bill.

FAKS: sloped roof

Leasing - supports HCR 52

PAT: Page 2, Line 4
concern with structure not
appearance.

Uehling: appearance is too subjective

KELLY: appearance is not important

FAKS: Use existing buildings.

Uehling: Any in Anchorage
Not since late.

Kelly: FAKS on right track

— ~~Require~~ before using new space, must
Bid - space/specs meet criteria
that prove no
appropriate old space.

Sloped Roof Problems

Pau Volker: Developer offering lowest lease
price would have to retain
architect, ...

Uehling: SAVE \$? Answer: Yes

Volker: Task Force would establish
ISSUE

FAKS:

Uehling - Will Task Force apply to DOT
A: NO

FAKS: AMENDMENT

KELLY: SB 399

NOTES FROM
Kate Tassar

NOT IN PACKET

Notes for Finance Meeting 3/20/99

Many state agencies have turned to the capital lease process as a means of acquiring badly needed new facilities because of the lack of state funds needed to finance construction of office buildings. These facilities are designed, constructed, financed and often operated by the successful bidder. The building is essentially purchased by the state on the "installment plan" utilizing funds from the agency's operating budget. At the conclusion of the term of the lease, which may be 20 years or more, ownership of the facility usually reverts to the state, often after payment of a final lump sum.

These facilities are designed, constructed, financed and often operated by the successful bidder. The building is essentially purchased by the state on the "installment plan" utilizing funds from the agency's operating budget. At the conclusion of the term of the lease, which may be 20 years or more, ownership of the facility usually reverts to the state, often after payment of a final lump sum.

The capital lease process is made possible because many agencies have accommodated space needs over the years through rental of increasing amounts of office space which is frequently scattered throughout a community. Consolidation of rental space and agency functions increase the buying power and the efficiency of the agency, and when a large block of space can replace many scattered leases for little or no operating cost penalty, the agency proceeds with construction of a new building through a capital lease agreement.

Problems

A major problem with this process is that it lacks virtually all of the controls normally placed on development of new public facilities. Contract documents are routinely prepared by staff lacking professional expertise in design and construction. Many

times the contracts are treated like simple lease agreements, which is really not suitable for contracts resulting in construction of new buildings that will ultimately become state property. The bids are usually awarded only on the basis of lowest rental cost and do not necessarily take into consideration building standards of the host community, the long term maintenance and operations costs or the functional needs of the agency. Neither is there any assurance that agency funds are invested in a responsible manner.

HCR 52 requests that as the state enters into capital lease contracts, criteria in addition to price, including functionality, public convenience, design and appearance be taken into consideration. In addition, it encourages the state to use the competitive sealed proposal for buildings of over 10,000 sq. ft. or leases of five years or more. This is to ensure that statutes currently in place for competitive sealed proposals, which do allow for criteria other than price, will be used.

I consulted with the Director of Leasing for DOA, Chief of Construction Standards of DOT, architects for the University and city planners while preparing this legislation.

This bill is supported by the Alaska Chapter of the American Institute of Architects and they have drafted a resolution of their own relating to this subject which is included in your packets.

A Finance CS with a fiscal not of \$6,600.0 has been prepared which would create a State Lease Task Force comprised of architects, engineers, representatives of local government and state agencies who have leasing responsibilities, as well as two representatives of the House and two from the Senate. Formation of the Task Force was requested by members of the Alaska Professional Design Council, to work on solutions to the problems created by current state leasing policies. The Task Force members will report to the legislature on their findings and recommendations by January 21, 1991.

SCR 52, leasing of space by the state.

TELECONFERENCE; ANCHORAGE

TO TESTIFY;

Senator Rodey
Paul Volcker (Architect)
Division of General Services: Bob Link

NOTES;

IMPORTANT; Senator Rodey requests that the House CS be adopted by State Affairs, establishing a State Lease Task Force. The CS is in committee packets.

1. Kate Tessar has worked extensively on the House Version, she will be available for questions and understands the resolution clearly. She supports the Task Force as they have been able to identify the problems (i.e. the Plywood Palace in Juneau) but have not been able to come up with proposed solutions.

2. Sharon Macklin represents the Alaska Professional Design Council and they support this.

3. See "old" HCR 52 Fiscal Note - Lease info. on Page 2.

PASSED

4.4.90

HCR 52

AMENDED

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Relating to the leasing of space ...
and establishing the State Lease Task Force.
Sponsor: Representative Ulmer
Requestor: House Finance

Affected Agency: Legislative Affairs Agency
BRU: Legislative Operating Budget
Components: Legislative Operating Budget

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY91	FY92	FY93	FY94	FY95	FY96
Personal Services	0	0	0	0	0	0
Travel	6.6	0	0	0	0	0
Contractual	0	0	0	0	0	0
Supplies	0	0	0	0	0	0
Equipment	0	0	0	0	0	0
Land & Structures	0	0	0	0	0	0
Grants, Claims	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
TOTAL OPERATING	6.6	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (THOUSANDS OF DOLLARS)

General Fund	6.6	0	0	0	0	0
Federal Fund	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	6.6	0	0	0	0	0

POSITIONS:

Full-Time	0	0	0	0	0	0
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

CSHCR 52 (Finance) establishes the State Lease Task Force comprised of 13 members. Administrative and legal services of the Legislative Affairs Agency shall be made available to the Task Force. The following is requested to adequately support the Task Force:

Prepared By: Pamela Stoops, Director *Pamela Stoops* Phone: 465-3850
Division: Administrative Services Date: 3/19/90

Approved By: Warren Endicott, Executive Director *Warren Endicott*
Agency: Legislative Affairs Agency Date: 3/19/90

DISTRIBUTION (BY PREPARER)
LEGISLATIVE FINANCE
LEGISLATIVE SPONSOR

REQUESTOR
OFFICE OF MANAGEMENT & BUDGET
AGENCY (IES)

CONTINUATION OF FISCAL NOTE: CSHCR 52

Travel:

It is anticipated there will be 2 meetings of the Task Force. It is assumed that travel expenses of the 4 Legislators will be absorbed within the existing Legislative Budget and the 2 Representatives from the Executive Branch and 1 Representative from the University will be absorbed within their respective budgets.

2 meetings x 6 public members at 2 days each

airfare - 2 meetings x 6 members = 12 airfares

12 airfares x \$390 = \$4,680

per diem - 2 meetings x 6 members = 12

12 x 2 days per diem = 24

24 x \$80 =

\$1,920

\$6,600

Advertising of public notices, printing of the report, supplies, equipment, etc. will be absorbed within the existing Legislative Operating Budget.

Passed by the House
with one Floor Amendment
Page 1, Line 21

Original sponsor(s): REP. ULMER, Koponen

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 52 (Finance) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 Relating to the leasing of space by the
6 state and establishing the State Lease
7 Task Force.

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

9 WHEREAS the state leases office space in over 60 communities through-
10 out the state, and the purpose of these offices is to provide services to
11 the public; and

12 WHEREAS the state's presence in these offices affects the business
13 environment in the communities, and the design of these offices affects
14 employee efficiency and morale as well as the cost of the leases; and

15 WHEREAS the state should be a responsible citizen in the communities
16 and not cause the construction of buildings that are below the prevailing
17 standard for commercial structures in the communities; and

18 WHEREAS the competitive sealed proposal process makes it possible to
19 consider several appropriate attributes in addition to the cost of a lease,
20 including the total life-cycle costs for maintenance and operations,
21 functionality, indoor air quality, public convenience, design, appearance,
22 and location of the leased building; and

23 WHEREAS a comprehensive review is needed of the issues raised in this
24 resolution relating to the leasing of space by the state in order to deter-
25 mine how the state may achieve the goals proposed by resolves one through
26 four of this resolution;

27 BE IT RESOLVED that the Alaska State Legislature respectfully requests
28 the governor to direct the Department of Administration to seek lease space
29 that not only accommodates the state's mission but is also compatible with

Floor
Amendment

1 the communities' concerns, including planning, zoning, and design regula-
2 tions where they exist; and be it

3 FURTHER RESOLVED that the Alaska State Legislature encourages state
4 agencies to avoid leasing practices that would cause the construction of
5 substandard commercial structures, or structures that will be substandard in
6 appearance and features when compared to prevailing building practices and
7 design, but nothing in this resolution shall be construed as encouraging
8 new construction or favoring new construction over the leasing of existing
9 space; and be it

10 FURTHER RESOLVED that the Alaska State Legislature encourages state
11 agencies to utilize the competitive sealed proposal process for the acqui-
12 sition of leased space when the lease exceeds 10,000 square feet or a term
13 of five years; and be it

14 FURTHER RESOLVED that the competitive sealed proposal process used to
15 lease office space for the state should consider the total life-cycle cost
16 to the state of the building to be leased as calculated over the term of
17 the lease using a discounted present value analysis, and including mainte-
18 nance and operations, functionality, indoor air quality, public conve-
19 nience, design, and appearance; and be it

20 FURTHER RESOLVED that a State Lease Task Force is established to study
21 the issues raised by the goals set out in the previous resolves in order to
22 determine the best methods for achieving these goals; and be it

23 FURTHER RESOLVED that the task force shall consist of nine persons
24 appointed by the governor, two representatives appointed by the speaker of
25 the state house of representatives, and two senators appointed by the
26 president of the state senate; and be it

27 FURTHER RESOLVED that the members of the task force appointed by the
28 governor shall include two engineers licensed under AS 08.48, two archi-
29 tects licensed under AS 08.48, two representatives of local government, one

1 representative from the Department of Transportation and Public Facilities,
2 one representative from the Department of Administration, and one represen-
3 tative from the University of Alaska; and be it

4 FURTHER RESOLVED that the terms of the task force members shall begin
5 July 1, 1990, and that the task force shall terminate January 22, 1991; and
6 be it

7 FURTHER RESOLVED that the task force shall submit a report of its
8 findings and recommendations to the governor and the legislature by
9 January 21, 1991; and be it

10 FURTHER RESOLVED that the administrative and legal services of the
11 Legislative Affairs Agency shall be made available to the task force.

12 COPIES of this resolution shall be sent to the Honorable Frank Baxter,
13 commissioner of administration; the Honorable Mark S. Hickey, commissioner
14 of transportation and public facilities; to the Honorable Donald O'Dowd,
15 President of the University of Alaska; and to Ray Price, Executive Director
16 of the Alaska State Housing Authority.

PAT - SEE PAGE 2

(not in committee packets)

STATE OF ALASKA
1990 LEGISLATIVE SESSION

Bill Version: HCR 52
Publish Date:

FISCAL NOTE

Superseded

REQUEST:

Revision Date: _____
Title: House Concurrent
Resolution No. 52
Sponsor: Ulmer
Requestor: _____

Agency Affected: Department of Administration
BRU: Leasing and Facilities
Components: Leases

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	12.8	26.6	27.5	28.5	59.0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	5.5	228.0	450.4	425.1	944.6	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	18.3	254.6	477.9	453.6	1,003.6	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	18.3	254.6	477.9	453.6	1,003.6	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	18.3	254.6	477.9	453.6	1,003.6	0

POSITIONS:

FULL-TIME	0	0	0	0	1	0
PART-TIME	1	1	1	1	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

There is no fiscal impact on FY 90.
(See attached analysis)

Prepared by: Robert J. Link, Director
Division: General Services and Supply
Approved by Commissioner: Frank S. Baxter
Agency: Department of Administration

Phone: 465-2250
Date: 2/26/90
Date: 2/26/90

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

FISCAL NOTE ANALYSIS

For HCR 52

Currently, the State has 12 leases for office space, in excess of the 10,000 square foot threshold in HCR 52, that will be expiring without renewal options and have not already been rebid. These 12 leases contain approximately 450,000 square feet at a combined monthly cost of \$816.9.

ASSUMPTION:

Increase Lease Costs

The current average cost per square foot of the existing leases procured through Invitations to Bid (ITB) is \$1.82.

The current high cost per square foot based on leases procured through ITB is \$2.58.

The difference between the current average cost and the current high cost per square foot is \$.76.

For the purpose of this fiscal note, we assumed the average increase in the cost per square foot of space procured through a Request for Proposal (RFP) to be \$.38.

The expiration schedule for the next six fiscal years and the estimated additional cost each year is:

- FY 91: 0 leases of 10,000 square feet expire in FY 91.
- FY 92: 3 leases = est. 50,000 square feet x \$.38/mo. = \$228.0*
- FY 93: 3 leases = 98,778 square feet x \$.38/mo. = \$450.4*
- FY 94: 4 leases = 93,217 square feet x \$.38/mo. = \$425.1*
- FY 95: 2 leases = 207,152 square feet x \$.38/mo. = \$944.6*
- FY 96: 0 leases of 10,000 square feet expire in FY 96.

* Annual Costs

Training Costs

Since the contracting officers who would be involved in the preparation of RFPs have had no formal training and little experience in issuing RFPs, approximately \$5.5 would be required to provide training in the RFP process.

Personal Services

Bids for lease space are among the most time consuming and difficult bids prepared by the contracting officers. The procurement through a Competitive Sealed Proposal will involve more preparation time and evaluation time than a Competitive Sealed Bid for lease space.

We estimate that development of the initial RFP conditions for proposals will take approximately three months of staff time.

The additional staff time to prepare, evaluate all offers (rather than just the low bid), and answer protests related to the use of a Competitive Sealed Proposal, is expected to add approximately six Purchasing Agent III staff months of work during each year in FY 92-94. In FY 95, due to the complexity of the two replacement leases of 207,152 square feet, we estimate a need for one additional Purchasing Agent III.



ALASKA CHAPTER
THE AMERICAN INSTITUTE OF ARCHITECTS
P.O. BOX 10-3563 • ANCHORAGE, ALASKA 99510

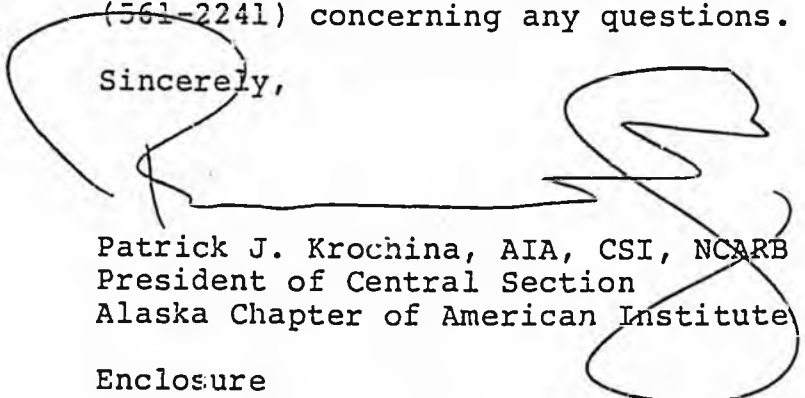
DATE: February 8, 1990
TO: State of Alaska Legislature
FROM: American Institute of Architects
Alaska Chapter

Representing Alaska Architects practicing throughout the state we have a major concern over the current procurement policies evolving with various state agencies forced to expand or replace their physical plants; namely the Capital Lease Process. We recognize that there are certain immediate financial advantages with this process, however, history has shown there are serious disadvantages that each State Dept. should be aware of.

Attached are a few documents pointing at these issues both in Juneau and Anchorage as well as a preliminary draft. Also attached is a report compiled by A/E, Contractors & Owners about the Design/Build/Bid Process which relates to the Capital Lease Process.

Please review and call any of our Board of Directors or myself (561-2241) concerning any questions.

Sincerely,


Patrick J. Krochina, AIA, CSI, NCARB
President of Central Section
Alaska Chapter of American Institute of Architects

Enclosure

2/8/90: IFL TO LEGIS. RE LEGISLATION
ON PROCUREMENT OF CERTAIN STATE LEASES

DRAFT

January 8, 1990

TO: All Interested Parties

FROM:

RE: Proposed Legislation Concerning the Procurement of Certain
State Leases

Background

Because of difficulties and delays encountered in the capital budget process, many state agencies have turned to the capital lease process as a means of acquiring badly needed new facilities. These facilities are designed, constructed, financed, and often operated and maintained by the successful bidder. The building is essentially purchased by the state on the "installment plan" utilizing funds from the agency's operating budget. At the conclusion of the term of the lease, which may be 20 years or more, ownership of the facility usually reverts to the state, often after payment of a final lump sum amount to the bidder.

The capital lease process is made possible because many agencies have accommodated space needs over the years through rental of increasing amounts of office space which is frequently scattered throughout a community. Consolidation of rental space and agency functions increase the buying power and the efficiency of the agency, and when a large block of space can replace many scattered leases for little or no operating cost penalty the agency proceeds with construction of a new building through a capital lease agreement.

The Problems

The capital lease process, which involves commissioning the design and construction of new state facilities, operates with virtually none of the controls normally placed on development of new public facilities. Contract documents are routinely prepared by staff lacking professional expertise. The contracts are treated as simple lease agreements, which are not suitable documents for contracts resulting in construction of new buildings that ultimately become state property.

Capital lease agreements currently in use do not protect the state from making bad investments in poor quality buildings. The leases are normally awarded only on the basis of lowest rental cost. There are no mechanisms in the process to ensure that the facilities acquired are functionally responsive to the needs of

the agency, are economical to operate and maintain, or are productive and humane environments for the individuals who work there. In short, there is no means to ensure that agency funds are invested in a responsible manner.

The Proposed Legislative Solution

Buildings which are functionally unsuccessful or unreliable will not solve an agency's space problems. Buildings which are poorly designed and constructed are expensive to operate and maintain and can have such a short useful life span that they are of little value at the conclusion of the term of lease when ownership is transferred to the state. Legislation is needed to ensure that new facilities commissioned by the state through the capital lease process result in good investments for the state and for the communities in which the facilities are constructed.

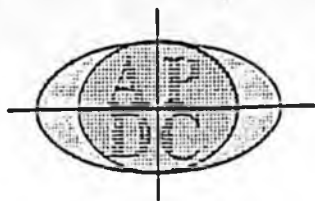
The state procurement code already has in effect provisions which regulate the use of competitive sealed proposals for procurement of the design and construction of new facilities under AS 36.30.200(c). Under this existing legislation a bidder's proposals can be evaluated on the basis of many criteria, including price. This provides the means for evaluating a capital lease proposal with regard to functionality, aesthetics, long term maintenance costs, etc.

The objectives of the attached proposed legislation are to: require that AS 36.30.200 be applied to capital lease projects; set out the minimum criteria to be considered when evaluating competitive sealed proposals for capital lease projects.

This proposed legislation can be expected to have the added benefit of minimizing the controversy which often surrounds poorly designed facilities commissioned by the state, such as the "Plywood Palace" and the recent Department of Environmental Conservation office building, both located in Juneau. The concept behind this legislation has been endorsed by the Alaska Professional Design Council, the Alaska Chapter of the American Institute of Architects, the Juneau Planning Commission, (others who sign on as supporters)..

There are related issues such as the application of the Little Miller Act which mandates payment of minimum wage rates on all public construction projects. This particular issue is anticipated to be covered in a separate piece of legislation. Other issues such as Alaska Bidders Preference and Alaska Product Preference may surface during the session. While these are all serious concerns that will likely need to be addressed, the core of this proposed legislation is related to ensuring that state funds are responsibly invested.

end



Alaska Designs

Volume 12, No. 11, December 1989

The Official Newsletter of the Alaska Professional Design Council

Acquisition of State Facilities Via Capital Lease

by Jack Wolever, AIA

Given current political and economic environments, most state agencies find it almost impossible to obtain funding for needed facilities through capital appropriations. The conventional process of constructing new state buildings -- an appropriation from the legislature, selection of architects and engineers, programming and design, competitive bids, and construction -- is simply no longer accessible to most state agencies because of economic or political constraints.

Several state agencies have turned to the capital lease process as a means of acquiring new facilities. These facilities are designed, constructed, financed, and often operated and maintained by the successful bidder. The building is essentially purchased by the agency on the "installment plan" utilizing funds from the agency operating budget. At the conclusion of the term of the lease, the facility ownership usually reverts to the state, often after payment of a final lump sum amount to the bidder. The capital lease process is made possible because many agencies have accommodated space needs over the years through rental of increasing amounts of office space which is frequently scattered throughout a community. Consolidation of rental space and agency functions increase the buying power and the efficiency of the agency -- powerful arguments for capital lease facility acquisition.

It is critical, however, that those individuals responsible for facility acquisition and management ensure that buildings acquired via capital lease are good investments for the state. Buildings which are functionally unreliable or unsuccessful are frustrating to the personnel who utilize them. Buildings which are poorly designed and constructed are expensive to operate and maintain and can have such a short useful life span that they are of little value at the conclusion of the term of lease when ownership is transferred to the state. It is the responsibility of an agency's facilities management group to ensure that such problems do not compromise the acquisition of a new building.

A publication entitled Design/Build/Bid Considerations for Participants was prepared in 1986 by an ad-hoc committee of Alaskan architects, engineers, contractors, and facility planning experts to inform public sector building owners about the process of acquiring facilities through design/build/bid. The process described differs from the capital lease process currently utilized by the state in several very important areas.

Critical to the success of a design/build/bid project is preparation of a detailed facility program describing the functional needs of the agency, and performance specifications describing a minimum level of quality for building components and systems. Equally important is preparation of a format for evaluating bidder's proposals in order to obtain from each bidder a design for the best possible building that can be provided within the limits defined by the performance specifications and the project budget.

Having participated in numerous design/build/bid public works projects in Alaska and California, it has been my experience that a consultant with experience in preparing D/B/B RFPs is needed to prepare the program, performance specifications, and evaluation format. With regard to evaluation of proposals, this typically involves both objective judgements, such as awarding points for exceeding minimum energy performance standards, and subjective judgements, such as awarding points for quality of architectural design and site planning functionality. Project cost can be dealt with by either establishing a price to be paid and allowing the bidders to provide the best facility achievable within that constraint, or by allowing the cost to be another variable in the evaluation format.

State agencies that are normally in the business of leasing facilities lack the professional expertise required to prepare a D/B/B RFP, and lack that same expertise required to evaluate a D/B/B proposal with regard to both technical criteria and design criteria. The State Department of Administration is the entity that has been responsible for capital lease building acquisitions for other state agencies. The DOA track record has been dismal, producing buildings which are largely unsuccessful because of failings in the RFP utilized by DOA. The community of Juneau has seen protests sent directly from the planning commission to the Governor about conspicuous failures of capital lease building projects initiated by the DOA's Division of General Services and Supplies which is unable to differentiate between a D/B/B project and an ordinary lease for office space. Therefore, it is necessary for the Alaskan consulting community to acquire the expertise to provide state agencies with the services needed to organize and execute a successful D/B/B project.

In summary, the capital lease process is currently the only practical means available to most state agencies for obtaining new facilities. In order to ensure that agency funds are invested in a responsible manner, it is imperative that state agencies utilize a process structured to produce buildings that are functionally responsive to the needs of the occupants, are economical to operate and maintain, and are humane and productive environments for the individuals who work there. In

addition, those building projects must complement and enhance the community in which they are placed -- the buildings must be good neighbors rather than centers of controversy over planning and design issues. It is incumbent on the Alaskan design community to recognize the need for D/B/B services and to be able to provide those services to state agencies. It is incumbent on the state to recognize the failings of its' process and its' products, and to obtain the necessary expertise required to develop successful capital lease building projects.

July 24, 1989

MAYOR BRUCE BOTELHO
SENATOR JIM DUNCAN
REPRESENTATIVE FRAN ULMER
REPRESENTATIVE BILL HUDSON

Dear Friends,

I am concerned about the apparent lack of coordination between the state and the community with regard to planning and construction of new state facilities. It is my assumption that all state agencies submit annually a capital development plan which indicates current space utilization, projected growth, and proposed remodeling and new construction for a five to ten year period. However, it is not clear to me where or even if that information is being collected, nor is it clear what plans those agencies located in Juneau have to implement the development of new facilities.

A single agency within the state should be responsible for coordinating with the CBJ Planning Department and for planning for the accommodation of state facilities. Land use planning to ensure that state facilities are developed in a logical and orderly manner, integrated into the physical fabric of our community, should be among the highest priorities of both state and community planners. The state, in concert with the CBJ, should be preparing a master plan for development in the capital city, and the state should be budgeting funds annually for land acquisition in a manner consistent with that plan.

The pattern established with regard to capital leases in lieu of constructing permanent facilities works against the community both in the near term and the long term. I realize that it is the path of least resistance in terms of making available badly needed space for state agencies. There is, however, no coherence in siting the facilities with regard to a master plan for public facilities, no logic in relationships to other public facilities, no controls on the planning or design, and the end result is another Plywood Palace. These leased facilities, even though they may ultimately be owned by the state, do not make a contribution to the physical presence of state government in Juneau. These types of facilities can only be considered temporary, and the issue of where to build permanent institutional quality facilities - Juneau or Anchorage - will still eventually have to be addressed. They work against efforts to establish the air of permanence of the state government presence in Juneau.


The capital lease process is also a poor investment for the agency itself. These facilities are typically not of institutional quality, are more expensive to operate and maintain, and have a relatively short life span. They offer few of the amenities that an institutional facility is expected to provide. The only arguments in favor of capital lease facilities are that they avoid getting mired in political arguments over location, which would surely occur if the facilities were in the high profile capital budget, and they are good investments for those few developers in Juneau who can cash in on the leases.

I believe that a joint CBJ/State task force should be formed of our city planners and state planners who can speak to and coordinate the planning for all state agencies in Juneau. The charge to that task force would be defining the near and long term facility and land needs of the state, and integrating permanent facilities into the community within the framework of a Master Plan for State Capital Facilities. An oversight organization, perhaps the local planning commission, would be responsible for ensuring that the plan is implemented by developing appropriate controls.

Treading lightly around these issues will not make them go away. Juneau must begin aggressively promoting, and planning to accommodate, permanent state facilities. An enormous amount of money was expended planning for a fictional capital city in Wasilla. Since the capital move vote, the only effort toward masterplanning - a state building at the Juneau Motors site - was scuttled. Should the state acquire the old Capital School site? How can we consolidate space leases spread throughout the community when they begin to run out? Who in state government is addressing these issues?

Until a comprehensive state/city planning process is implemented, this community will continue to be victimized by make-shift solutions to critical agency space shortages. If Juneau does not take steps to physically accommodate state government, and does not actively promote permanent facilities for state agencies, we will eventually become the capital in name only, if that.

Sincerely,


Jack Wolever
9589 Whitewater Court
Juneau 99801

Y TURN

The municipal Design Review Board

JL VOELCKERS

several years, the economic and general confidence in Juneau is improving. With this improvement will come new construction possibilities for new mining construction, and State facilities.

The potential for significant new construction suggests that as a community, we review the design and zoning regulations currently in effect to insure they will satisfy our own expectations for how this occurs.

The recent debate by the municipal Design Review Board concerning the proposed state Department of Environmental Conservation administration building on Willoughby Avenue has shed the profile of the Board, and provides a good opportunity to reflect on its role and effectiveness.

The Design Review Board was established in 1984, principally in reaction to the state's Department of Environmental Conservation building along Egan Drive, which was dubbed the "Plywood Palace" by offended residents. In response to this ordinance, the Design Review

Board represents the community at large, revising or improving building projects which are unattractive, oppressive, or generally not in the public interest. This task, however, has proven difficult to perform, as the subsequent "Plywood Palace Two" and other less-than-satisfactory buildings added in the last few years show.

This lack of effectiveness has been due to three general conditions:

1. Aesthetics are hard to quantify and legislate. Though regulations are promulgated setting out the Board's objectives in general terms (i.e., prevent large monolithic boxes, etc.), specific and easily enforceable criteria were not possible. Instead, an overall aesthetic judgment remained necessary. Developers have argued that many people may find a particular project attractive, even though the Board does not.

2. Juneau, with the rest of the State, has been in an economic downturn. In such a period, the very difficult trade-off between aesthetics and the cost of construction is altered. Many projects which normally would not be tolerated by the community are seen as unfortunate but necessary for economic self interest.

3. Large state projects have been developed by an indirect process called a design-build lease-back procedure which conspicuously ignores planning and design issues. Both Plywood Palaces, the DEC Lab Building underway in the Valley, and the currently proposed DEC Administrative Building along Willoughby Avenue are obvious examples. Low price is the only criteria for State selection of proposals, virtually guaranteeing banal design, cheap construction, and awkward, crowded sites. The resulting inferior buildings are then presented to the community as the State's prerogative or choice.

Until recently, the practical effect of these difficulties reduced the effectiveness of the fledgling Design Review Board. Many major buildings brought to the Board for review were large boxes based on two principles only - the raw efficiency of people-packing in a given space, and the cheapest construction methods available. The Design Review Board then chose the depressing (and fundamentally flawed) role of making minor detailing changes to obviously bad buildings.

However, the Willoughby Avenue

project suggests that an internal re-appraisal of the Design Review Board's role and authority may be happening. A fresh reading of the Board's by-laws makes clear that it was created for one purpose: to insure the public receives aesthetically desirable, humane buildings in Juneau.

Though judgments about design quality are difficult, nonetheless they can and must be made. The Board, in fact, has been selected for its ability to do so. Though developers would like the aesthetic requirement reduced to specific regulations, the visual and artistic attributes of a good building will always remain an overall subjective determination. The board must have the courage (and public support) to insist that its judgment is both meaningful and binding.

Significantly, the Board is now debating whether an entire building design, including its proposed site, can be rejected due to general failings which cannot be corrected by minor surface changes. This willingness to potentially reject an entire project is a necessary step. A Plywood Palace with a green canopy instead of red will remain a bad building. If a build-

ing is a failure in general, it should be rejected as a whole, and a more responsive design demanded.

The Design Review Board cannot operate without a general community consensus about its role. Recent support by the Empire, the CBJ Community Development Department, the CBJ Engineering Department, Planning Commission members, and the general public all indicate that a strong sentiment to require better building exists in this community.

The people of Juneau can and should demand design quality as a fundamental right. Otherwise, the fabric of Juneau will need to absorb inferior buildings for decades, long after developer's profits have been realized and forgotten. Hopefully, the new strength of the Design Review Board will indicate to the State and developer that quality design must be an initial goal, rather than a painful consequence of rejected projects.

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