

HB

237

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.

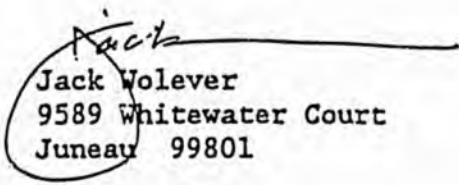
The capital lease process is also a poor investment for the agency itself. These facilities are typically not of institutional quality, are more expensive to operate and maintain, and have a relatively short life span. They offer few of the amenities that an institutional facility is expected to provide. 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.

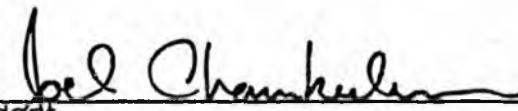
Sincerely,


  
Jack Wolever  
9589 Whitewater Court  
Juneau 99801

**RESOLUTION  
STATE BUILDING LEASE PROCEDURES**

- Whereas, the Alaska Chapter of the American Institute of Architects promotes quality design and construction practices throughout the State, and
- Whereas, the Department of Administration, other State agencies and other political subdivisions for the State of Alaska have been procuring new building space through a process which solicits bids for lease space normally resulting in new construction, and
- Whereas, the contractor with the lowest lease price and cheapest cost will be the successful bidder for such State space, and
- Whereas, this process is not required to consider the quality of building design, site design, regional planning, construction quality, or operation and maintenance costs, and
- Whereas, such omission harms the long term interest of the State and the affected communities because of the low quality design, planning and construction which inevitably occurs,
- Therefore, be it resolved that the Alaska Chapter of the American Institute of Architects, strongly urges that the Governor's Office and Department of Administration revise this bid process to include qualitative criteria for design, site planning, interior amenity, and maintenance and operation costs so that the State agencies and communities affected receive building projects with acceptable design and construction quality.

Unanimously adopted this date, November 10, 1989.

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary

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

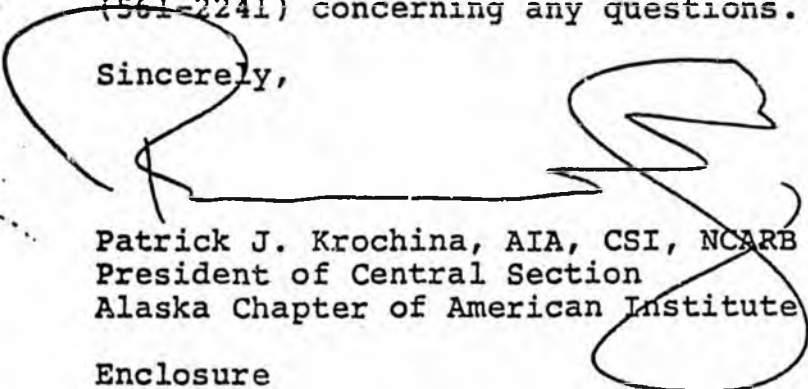
DATE: February 8, 1990  
TO: State of Alaska Legislature  
FROM: American Institute of Architects  
Alaska Chapter

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

# STATE OF ALASKA

## DEPARTMENT OF ADMINISTRATION

DIVISION OF GENERAL SERVICES AND SUPPLY

January 22, 1991

L.R. 123, SLA 90

WALTER J. HICKEL, GOVERNOR

P.O. BOX C  
JUNEAU, ALASKA 99811-0210  
PHONE: (907) 465-2250

The Honorable Richard I. "Dick" Eliason  
Senate President  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

RE: Report SCS CSHCR 52

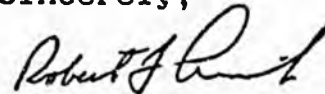
Dear Senator Eliason:

The referenced Resolution created the State Lease Task Force and asked it to provide findings and recommendations. The Task Force met twice and held extensive discussions on the topics addressed in the Resolution. The Task Force's report and recommendations are addressed in the enclosed recommendation. Nine members agreed with the recommendation, two disagreed and two had no recommendation.

### Members of the State Lease Task Force

Al Adams	Senate Representative
Richard S. Armstrong	RSA Engineering
Keith Gerken	DOT&PF Representative
Rick Halford	Senate Representative
Gene Kubina	House Representative
Robert J. Link	DOA Representative
Gerald Myers	GDM, Inc.
Randy Phillips	House Representative
Barbara Sheinberg	Local Gov. Representative
William M. Smith	Tryck, Nyman & Hayes
William C. Thomas	Local Gov. Representative
Paul Voelckers	MRV Architects
Jack Wolever	University Representative

Sincerely,



Robert J. Link  
Acting Chair  
State Lease Task Force

tlc  
osure

- Task Force Report -

TELECOPIER NUMBER 465-2189

STATE LEASE TASK FORCE  
RECOMMENDED  
MAJOR SPACE ACQUISITION POLICY

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Whereas this Task Force recognizes the need for providing space at a reasonable life cycle cost and quality, particularly in large space acquisition projects, and whereas existing space is not always available to fit the State's need properly;

We therefore recommend that the Legislature and Governor build, own and finance any space needs in excess of 10,000 square feet or any space needed for more than 10 years, unless existing space is available at lease rates competitive with the life cycle costs of State-owned facilities.

If after analysis the State chooses not to build and own, and proceeds with a lease process that causes new construction, the Department of Administration shall address in the lease criteria life cycle costs, function, indoor environment, public convenience, planning design, appearance and location in addition to lease costs.

These criteria shall be addressed in a competitive sealed proposal process for lease space. The relative significance for each criterion shall be identified, and the process for award clearly established. The evaluation committee shall include qualified individuals reflecting appropriate experience and/or professional training.

Agree                       Disagree                       No Recommendation

Richard S. Armstrong                      1.4.96  
Signature    Date

Comments:

1 IN THE HOUSE

2 SENATE CS FOR CS FOR HOUSE CONCURRENT RESOLUTION NO. 52 (STATE AFFAIRS)

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, FUNC-  
21 TIONALITY, INDOOR AIR QUALITY, PUBLIC CONVENIENCE, DESIGN, APPEARANCE, AND  
22 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  
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

- HCR 52 - Create Lease <sup>Task</sup> Force -

4 AGENCIES TO AVOID LEASING PRACTICES THAT WOULD CAUSE THE CONSTRUCTION OF  
5 SUBSTANDARD COMMERCIAL STRUCTURES, BUT NOTHING IN THIS RESOLUTION SHALL BE  
6 CONSTRUED AS ENCOURAGING NEW CONSTRUCTION OR FAVORING NEW CONSTRUCTION OVER  
7 THE LEASING OF EXISTING SPACE; AND BE IT

8 FURTHER RESOLVED THAT THE ALASKA STATE LEGISLATURE ENCOURAGES STATE  
9 AGENCIES TO UTILIZE THE COMPETITIVE SEALED PROPOSAL PROCESS FOR THE ACQUI-  
10 SITION OF LEASED SPACE WHEN THE LEASE EXCEEDS 10,000 SQUARE FEET OR A TERM  
11 OF FIVE YEARS; AND BE IT

12 FURTHER RESOLVED THAT THE COMPETITIVE SEALED PROPOSAL PROCESS USED TO  
13 LEASE OFFICE SPACE FOR THE STATE SHOULD CONSIDER THE TUTAL LIFE-CYCLE COST  
14 TO THE STATE OF THE BUILDING TO BE LEASED AS CALCULATED OVER THE TERM OF  
15 THE LEASE USING A DISCOUNTED PRESENT VALUE ANALYSIS, AND INCLUDING MAINTEN-  
16 NANCE AND OPERATIONS, FUNCTIONALITY, INDOOR AIR QUALITY, PUBLIC CONVE-  
17 NIENCE, DESIGN, AND APPEARANCE; AND BE IT

18 FURTHER RESOLVED THAT A STATE LEASE TASK FORCE IS ESTABLISHED TO STUDY  
19 THE ISSUES RAISED BY THE GOALS SET OUT IN THE PREVIOUS RESOLVES IN ORDER TO  
20 DETERMINE THE BEST METHODS FOR ACHIEVING THESE GOALS; AND BE IT

21 FURTHER RESOLVED THAT THE TASK FORCE SHALL CONSIST OF NINE PERSONS  
22 APPOINTED BY THE GOVERNOR, TWO REPRESENTATIVES APPOINTED BY THE SPEAKER OF  
23 THE STATE HOUSE OF REPRESENTATIVES, AND TWO SENATORS APPOINTED BY THE  
24 PRESIDENT OF THE STATE SENATE; AND BE IT

25 FURTHER RESOLVED THAT THE MEMBERS OF THE TASK FORCE APPOINTED BY THE  
26 GOVERNOR SHALL INCLUDE TWO ENGINEERS LICENSED UNDER AS 08.48, TWO ARCHI-  
27 TECTS LICENSED UNDER AS 08.48, TWO REPRESENTATIVES OF LOCAL GOVERNMENT, ONE  
28 REPRESENTATIVE FROM THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES,  
29 ONE REPRESENTATIVE FROM THE DEPARTMENT OF ADMINISTRATION, AND ONE  
1 REPRESENTATIVE FROM THE UNIVERSITY OF ALASKA; AND BE IT

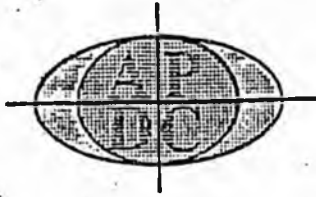
2 FURTHER RESOLVED THAT THE TERMS OF THE TASK FORCE MEMBERS SHALL BEGIN  
3 JULY 1, 1990, AND THAT THE TASK FORCE SHALL TERMINATE JANUARY 22, 1991; AND  
4 BE IT

5 FURTHER RESOLVED THAT THE TASK FORCE SHALL SUBMIT A REPORT OF ITS  
6 FINDINGS AND RECOMMENDATIONS TO THE GOVERNOR AND THE LEGISLATURE BY  
7 JANUARY 21, 1991; AND BE IT

8 FURTHER RESOLVED THAT THE ADMINISTRATIVE AND LEGAL SERVICES OF THE  
9 LEGISLATIVE AFFAIRS AGENCY SHALL BE MADE AVAILABLE TO THE TASK FORCE.

10 COPIES OF THIS RESOLUTION SHALL BE SENT TO THE HONORABLE FRANK BAXTER,  
11 COMMISSIONER OF ADMINISTRATION; THE HONORABLE MARK S. HICKEY, COMMISSIONER  
12 OF TRANSPORTATION AND PUBLIC FACILITIES; TO THE HONORABLE DONALD O'DOWD,  
13 PRESIDENT OF THE UNIVERSITY OF ALASKA; AND TO RAY PRICE, EXECUTIVE DIRECTOR  
14 OF THE ALASKA STATE HOUSING AUTHORITY.

A SOMEWHAT BRIEFER VERSION OF THE FOLLOWING ARTICLE WAS RECENTLY PUBLISHED IN THE DECEMBER ISSUE OF THE ALASKA PROFESSIONAL DESIGN COUNCIL NEWSLETTER.



# 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.

# Y TURN

## The municipal Design Review Board

### UL VOELCKERS

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

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

The debate by the municipal Design Review Board concerning the proposed state Department of Environmental Conservation administrative facility on Willoughby Avenue raised the profile of the Board, and provides a good opportunity to comment on its role and effectiveness.

The Design Review Board was established in 1984, principally in reaction to the state's Department of Land Use Planning 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.

Paul Voelckers is vice president of the Alaska Chapter of the American Institute of Architects and a local architect.

FISCAL NOTE

Bill No. HB 237

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Department Affected: Alaska Court System  
 Title: An Act establishing certain criteria... BRU: Trial Courts  
agency leases involve the construction of new buildings Components: \_\_\_\_\_  
 Sponsor: Transportation  
 Requestor: State Affairs COMPONENT SERIAL NO. 

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	1.0					
SUPPLIES	1.0					
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
TOTAL OPERATING	2.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUNDS	2.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER						
TOTAL	2.0	0.0	0.0	0.0	0.0	0.0

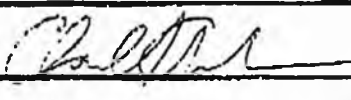
POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)

This legislation will require the court system to revise and reissue its purchasing guidelines. The estimated one-time cost to print and distribute the guidelines is \$2,000.

Prepared by: C. S. Christensen III, Staff Counsel  Phone: 264-8228  
 Division: Alaska Court System Date: 04/14/91

Approved by: Arthur H. Snowden, II, Administrative Director  Date: 04/14/91  
 Agency: Alaska Court System

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO: HB 237

Revision Date: \_\_\_\_\_  
Title: "An Act establishing certain criteria...  
state agency leases...construction of new buildings."  
Sponsor: House Transportation Committee  
Requestor: House State Affairs

Department Affected: Legislature  
BRU: All

Component: \_\_\_\_\_

..COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	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
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

POSITIONS:

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

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary)

Zero fiscal impact.

Prepared By: Pamela A. Stoops, Director  
Division: Administrative Services

*Pamela A. Stoops*

Phone: 465-3850  
Date: 4/8/91

Approved By: Warren W. Endicott, Executive Director  
Agency: Legislative Affairs Agency

*Warren W. Endicott*

Date: 4/8/91

Distribution (by preparer): Legis'

-- LAA Fiscal Note --

Impacted Agency(ies).  
Page 1 of 1

# HOUSE COMMITTEE REPORT

(7)

Date Referred: March 25, 1991

FURTHER REFERRALS:

Judiciary  
Finance

Date of Committee Action: 5-1-91

The STATE AFFAIRS Committee considered:

HB 237

HOUSE BILL NO. 237

STATE LEASING OF NEW BUILDINGS

"An Act establishing certain criteria that must be considered when state agency leases involve the construction of new buildings."

**RECOMMENDATIONS:**

be replaced with CS HB 237 (STA)

the same title  
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact AK Court System

fiscal note(s) \_\_\_\_\_

zero fiscal note LAA

zero fiscal note(s) \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Gene Kubina</i>	-				
<i>Toussaint</i>	✓				
<i>David Ross</i>	✓				
<i>E. Smith</i>	-				
<i>Jerry M. [unclear]</i>	✓				

*Gene Kubina*  
CHAIRMAN'S SIGNATURE

**HOUSE COMMITTEE REPORT**

(7)

Date Referred: May 2, 1991

FURTHER REFERRALS:

Finance

Date of Committee Action: 5-13-91

The JUDICIARY Committee considered:

HB 237

HOUSE BILL NO. 237

STATE LEASING OF NEW BUILDINGS

"An Act establishing certain criteria that must be considered when state agency leases involve the construction of new buildings."

**RECOMMENDATIONS:**

be replaced with CS HB 237 (SA)  the same title  a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact \_\_\_\_\_

fiscal note(s) AK Court 5-2-91

zero fiscal note \_\_\_\_\_

zero fiscal note(s) Leg. 5-2-91

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Daniel Donley</i>	✓	<i>Terry Martin</i>			✓
<i>Kevin P. Parnell</i>	✓				
<i>Spencer</i>					
<i>Ph Ellis</i>	✓				

*Daniel Donley*  
 \_\_\_\_\_  
 CHAIRMAN'S SIGNATURE

FISCAL NOTE

No. 1

Bill Version: CSHB 237 (STA)

(H) Publish Date: 5/2/91

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Department Affected: Alaska Court System  
 Title: An Act establishing certain criteria... BRU: Trial Courts  
agency leases involve the construction of new buildings Components: \_\_\_\_\_  
 Sponsor: Transportation  
 Requestor: State Affairs COMPONENT SERIAL NO. 

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	1.0					
SUPPLIES	1.0					
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
TOTAL OPERATING	2.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUNDS	2.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER						
TOTAL	2.0	0.0	0.0	0.0	0.0	0.0


POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

**ANALYSIS:** (Attach a separate page if necessary)

This legislation will require the court system to revise and reissue its purchasing guidelines. The estimated one-time cost to print and distribute the guidelines is \$2,000.

Prepared by: C. S. Christensen III, Staff Counsel  Phone: 284-8228  
 Division: Alaska Court System Date: 04/14/91

Approved by: Arthur H. Snowden, II, Administrative Director   
 Agency: Alaska Court System Date: 04/14/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

No. 2

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

Bill Version: CSHB 237(STA)  
(H) Publish Date: 5/2/91

Revision Date: \_\_\_\_\_  
Title: "An Act establishing certain criteria...  
state agency leases...construction of new buildings."  
Sponsor: House Transportation Committee  
Requestor: House State Affairs

Department Affected: Legislature  
BRU: All  
Component: \_\_\_\_\_

..COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	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	0	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	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	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

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary)

Zero fiscal impact.

Prepared By: Pamela A. Stoops, Director  
Division: Administrative Services

*Pamela A. Stoops*

Phone: 465-3850  
Date: 4/8/91

Approved By: Warren W. Endicott, Executive Director  
Agency: Legislative Affairs Agency

*Warren W. Endicott*

Date: 4/8/91

COMMITTEE COPY

Distribution (by preparer): Legis'

LAA Fiscal Note

Impacted Agency(ies).  
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