

HB

466

HFIN

FILE

(11)

HOUSE COMMITTEE REPORT

Date Referred to Committee: February 15, 1996

FURTHER REFERRALS:

Date of Committee Action: 3/18/96

The FINANCE Committee considered:

HB 466

HOUSE BILL NO. 466

ADAK REUSE AUTHORITY

"An Act establishing the Adak Reuse Authority."

recommends it be replaced with the following committee substitute CSAB 466 (Fin) [] the same title [] a new title

[] additional referral to _____ Committee

[] attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

[X] fiscal note(s) CRA

[] fiscal note(s)

[] zero fiscal note(s)

[X] zero fiscal note(s) MVA, 2/15/96

Table with 5 columns: SIGNING WITH RECOMMENDATIONS, DP, DNP, NR, AM. Rows include signatures and names like Foster, Navarce, Mulder, Martin, Kohring, Brown.

CHAIR'S SIGNATURE

Richard Foster (handwritten signature)

FISCAL NOTE

Revision Date: March 12, 1996 Dept. Affected: Community & Regional Affairs
 Title: An Act relating to Reuse of Adak Naval Air Fa BRU: Adak Reuse Authority
 Component none
 Sponsor: Rep. Moses
 Requestor: House Finance COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	128.0	174.1				
TRAVEL	40.0	44.0				
CONTRACTUAL	91.0	103.0				
SUPPLIES	6.0	6.5				
EQUIPMENT	16.5	0.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	281.5	327.6	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE FUND SOURCE:

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FUNDING: (Thousands of Dollars)

1002 Federal Receipts	100.0	100.0				
1003 GF Match	33.3	33.3				
1004 GF	148.2	194.3				
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	281.5	327.6	0.0	0.0	0.0	0.0

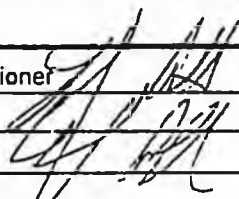
POSITIONS:

FULL-TIME	2	2				
PART-TIME						
TEMPORARY						

Estimate of current (FY94) impact \$ none

ANALYSIS: (Attach a separate page if necessary)

This analysis covers on Authority core management staff. Any staff to operate facilities and deliver services would be funded entirely by charges or contracts for these services and facilities. Analysis also assumes the Authority management staff would become self-supporting from lease revenues or other service contracts after a two-year period. It also assumes that the Department of Defense Office of Economic Adjustment will provide at least \$100,000 per year for the first two years.
(Cont'd. on attached.)

Prepared by: Lamar Cotten, Deputy Commissioner Phone: 465-4708
Community & Regional Affairs Date: 3/12/96
 Approved by Commissioner:  Date: 3/12/96
 Agency: Community & Regional Affairs

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HB466 FISCAL NOTE Cont'd

Office furniture to be provided by Navy. Office space to be provided by free by Navy or in a facility which the LRA will own. Utilities to be provided by Navy free first year and thereafter purchased by the LRA.

Staffing and costs with benefits: Executive Director \$112,500; Executive Secretary/Administrative Assistant \$53,600. Staffing for first year would be for 9 months. 3% inflation.

Travel based on 2 trips per month between Adak and Anchorage lasting three days.

Contractual includes \$50,000 per year for small contracts for legal, real estate, marketing and engineering professional services.

FISCAL NOTE

1
 Bill Version: HB 466
 (H) Publish Date: 2/15/96

STATE OF ALASKA
 1996 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Military and Veterans Affairs
 Title: Adak Reuse Authority FRU: Ak National Guard
 Component: Office of the Commissioner
 Sponsor: Rep. Carl Moses
 Requestor: Rep. Carl Moses COMPONENT SERIAL NO. 414.0

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

HB 466 would create an Authority with the responsibility to explore opportunities to develop Adak subsequent to federal closure of the military base. The Authority could complete feasibility studies, sell bonds, etc. There is no impact on the department.

Prepared by: Carol Carroll, Director Phone: 465-4780
 Division: Administrative Services Division Date: 2/14/96
 Approved by Commissioner: MG Jake Loeferer Date: _____
 Agency: Military and Veterans Affairs

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Amended on

pg 6
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9-LS1580G
Lauterbach
3/14/96

Adopted 3/18/96

CS FOR HOUSE BILL NO. 466()

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVE MOSES

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing the Adak Reuse Authority."**

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

3 *** Section 1. AS 30 is amended by adding a new chapter to read:**

4 **CHAPTER 17. ADAK REUSE AUTHORITY.**

5 **ARTICLE 1. ESTABLISHMENT.**

6 **Sec. 30.17.010. CREATION OF AUTHORITY.** There is created the Adak
7 Reuse Authority. The authority is a public corporation of the state and a body corporate
8 and is an instrumentality of the Department of Community and Regional Affairs, but
9 with separate and independent legal existence.

10 **Sec. 30.17.020. MEMBERSHIP OF AUTHORITY.** (a) The membership of the
11 authority consists of

- 12 (1) the commissioner of community and regional affairs;
- 13 (2) two other persons selected by the governor who serve as the heads
- 14 of principal departments of the executive branch of state government; and
- 15 (3) four public members appointed by the governor, two of whom must

1 be residents of the area that is within the boundaries of the Aleut Corporation, a Native
2 regional corporation established under 43 U.S.C. 1606 (Alaska Native Claims Settlement
3 Act).

4 (b) If a member described in (a)(1) or (2) of this section is unable to attend a
5 meeting of the authority, the member may, by an instrument in writing filed with the
6 authority, designate a deputy or assistant to act in the member's place as a member at
7 the meeting. For purposes of this chapter, the designee is a member of the authority at
8 the meeting.

9 (c) Members of the authority described in (a)(2) and (3) of this section serve
10 two-year terms but serve at the pleasure of the governor.

11 (d) If a vacancy occurs in the membership of the authority, the governor shall
12 immediately appoint a member for the unexpired portion of the term.

13 Sec. 30.17.030. CHAIR AND VICE-CHAIR. The members of the authority
14 shall elect a chair from among themselves. A vice-chair may be elected by the authority
15 from among its other members. The vice-chair presides over all meetings in the absence
16 of the chair and has other duties that the authority may prescribe.

17 Sec. 30.17.040. MEETINGS, COMPENSATION, OFFICERS, AND
18 EMPLOYEES. (a) A majority of the members of the authority constitutes a quorum for
19 the transaction of business or the exercise of a power or function at a meeting of the
20 authority. In case of a tie vote on a motion or resolution pending before the authority,
21 the motion or resolution shall be presented to the governor and, if approved by the
22 governor, is considered adopted by the authority. The authority may meet and transact
23 business by electronic media if (1) public notice of the time and locations where the
24 meeting will be held by electronic media has been given in the same manner as if the
25 meeting were held in a single location; (2) participants and members of the public in
26 attendance can hear and have the same right to participate in the meeting as if the
27 meeting were conducted in person; and (3) copies of pertinent reference materials,
28 statutes, regulations, and audio-visual materials are reasonably available to participants
29 and to the public. A meeting by electronic media as provided in this subsection has the
30 same legal effect as a meeting in person.

31 (b) The public members of the authority are entitled to \$100 compensation for
32 each day spent on official business of the authority and may be reimbursed by the

1 authority for actual and necessary expenses at the same rate paid to members of state
2 boards under AS 39.20.180.

3 (c) The authority may appoint persons as officers it considers advisable,
4 including an executive director, and may employ professional advisors, legal counsel,
5 technical experts, agents, and other employees it considers advisable. The executive
6 director and employees of the authority are in the exempt service under AS 39.25.

7 (d) The authority shall keep minutes of each meeting and send a certified copy
8 to the governor and to the Legislative Budget and Audit Committee.

9 ARTICLE 2. PURPOSE AND GENERAL POWERS.

10 Sec. 30.17.100. PURPOSE OF THE AUTHORITY. The purpose of the
11 authority is to develop and implement a comprehensive reuse and redevelopment plan
12 for the territory encompassed by the Adak Naval Air Facility in a manner that will attract
13 business, create jobs, and advance the general prosperity and economic welfare of the
14 people of the state by

15 (1) administering in a manner consistent with the purpose of the authority
16 the assets transferred to the authority by the federal government, including facilities and
17 other real or personal property, located at the Adak Naval Air Facility;

18 (2) entering into necessary agreements with the federal government for
19 operation of the facilities comprising the Adak Naval Air Facility;

20 (3) operating or contracting with others to operate enterprises and other
21 facilities located at the Adak Naval Air Facility; and

22 (4) cooperating and acting in conjunction with other organizations, public
23 and private, the objects of which are the promotion and advancement of economic use
24 of the facilities located at the Adak Naval Air Facility.

25 Sec. 30.17.110. POWERS OF THE AUTHORITY. In furtherance of its
26 corporate purposes, the authority may, in addition to other powers that it may have by
27 law,

28 (1) sue and be sued;

29 (2) have a seal and alter the seal at its pleasure;

30 (3) adopt and amend bylaws for its organization and internal
31 management;

32 (4) adopt regulations governing the exercise of its corporate powers;

1 (5) subject to AS 30.17.130(c), accept title to, or other interest in, assets
2 transferred to the authority by the federal government, including facilities and other real
3 or personal property, located at the Adak Naval Air Facility;

4 (6) lease to others a project acquired by it for the rentals and upon the
5 terms and conditions the authority may consider advisable, including, without limitation,
6 provisions for options to purchase or renew;

7 (7) issue and secure the payment of bonds, including revenue bonds;
8 provide for the rights of holders of the bonds; and purchase, hold, and dispose of bonds;

9 (8) sell, by installment sale or otherwise, exchange, donate, convey, or
10 encumber in any manner by mortgage or by creation of any other security interest, real
11 or personal property owned by it, or in which it has an interest, including a project,
12 when, in the judgment of the authority, the action is in furtherance of its corporate
13 purposes;

14 (9) accept gifts, grants, or loans from, and enter into contracts or other
15 transactions regarding them with, a federal agency or an agency or instrumentality of the
16 state, a municipality, a private organization, or other source;

17 (10) deposit or invest its funds, subject to agreements with bondholders;

18 (11) acquire, manage, and operate projects as the authority considers
19 necessary or appropriate to serve a public purpose;

20 (12) enter into contracts or other transactions with a federal agency, with
21 an agency or instrumentality of the state or of a municipality, or with a private
22 organization or other entity consistent with the exercise of any power under this chapter;

23 (13) charge fees or other forms of remuneration for the use or possession
24 of the projects described in (11) of this section in accordance with the agreements
25 described in (12) of this section, other agreements pertaining to the projects, covenants,
26 or representations made in bond documents pertaining to the projects, or regulations of
27 the authority pertaining to the projects.

28 Sec. 30.17.120. ADMINISTRATIVE PROCEDURE. The provisions of the
29 Administrative Procedure Act regarding the adoption of regulations under AS 44.62.040 -
30 44.62.320 apply to the authority.

31 Sec. 30.17.130. LIMITATION ON POWERS. (a) The authority has only the
32 powers expressly granted in this chapter, reasonably implied from this chapter, or

1 reasonably necessary or convenient to carry out its corporate purposes and to exercise
2 the powers expressly granted in or reasonably implied from this chapter.

3 (b) The authority does not have powers of

- 4 (1) eminent domain;
- 5 (2) taxation;
- 6 (3) land use planning;
- 7 (4) zoning;
- 8 (5) permitting; or
- 9 (6) other similar governmental powers.

10 (c) The authority may not accept transfer by the federal government of title to,
11 an interest in, control over, or responsibility for a facility or other real or personal
12 property located at the Adak Naval Air Facility unless sufficient federal or other money
13 is available to the authority to manage the property or operate the facility at a minimal
14 level for two years after the date of the transfer. The director of the office of
15 management and budget shall determine whether sufficient money is available to the
16 authority with respect to each proposed transfer subject to this subsection, and approve
17 or disapprove the proposed transfer.

18 ARTICLE 3. PROJECTS; BONDS.

19 Sec. 30.17.200. CONSIDERATION OF PROJECTS TO BE FINANCED. (a)
20 Before issuing bonds for a project under this chapter, the authority must find, on the
21 basis of all information reasonably available to it, that the

- 22 (1) project and its development under this chapter will be economically
23 advantageous to the state and the general public welfare and will contribute to the
24 economic growth of the state;
- 25 (2) project is financially sound and can be expected to produce revenue
26 adequate to repay the bonds with which it is financed; and
- 27 (3) scope of the project is sufficient to provide a reasonable expectation
28 of a benefit to the region and the economy of the state.

29 (b) The authority shall give fair and reasonable consideration to a project
30 presented to it for financing. When the authority determines whether to finance or assist
31 in the financing of a project, the authority shall state the reasons for its determination in
32 a written resolution upon request by a person who presented the project to the authority

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or a person who presented opposition to the project. The authority shall base its reasons on the information presented to it concerning the project and on other information considered appropriate by the authority.

(c) The authority may not finance or assist in financing a project ~~for which the authority's share of the financing would be more than \$10,000,000~~ unless the authority has received legislative approval to do so for a specified project.

Adopt

Sec. 30.17.210. BONDS OF THE AUTHORITY. (a) Subject to the provisions of AS 30.17.200, the authority may borrow money and may issue revenue bonds, including bonds on which the principal and interest are payable

(1) exclusively from the income and receipts or other money derived from the project financed with the proceeds of the bonds;

(2) exclusively from the income and receipts or other money derived from designated projects whether or not they are financed in whole or in part with the proceeds of the bonds; or

(3) from the income and receipts or assets generally, or a designated part or parts of them, of the authority or of any other person.

(b) Bonds issued under this chapter shall be authorized by resolution of the authority, and shall be dated and shall mature as the resolution may provide, except that a bond may not mature more than 40 years from the date of its issuance. The bonds shall bear interest at the rate or rates, be in the denominations, be in the form, either coupon or registered, carry the registration privileges, be executed in the manner, be payable in the medium of payment, at the place or places, and be subject to the terms of redemption that the resolution or a subsequent resolution may provide.

(c) Bonds issued under this chapter, regardless of form or character, shall be negotiable instruments for the purposes of the Uniform Commercial Code.

(d) Bonds issued under this chapter may be sold at public or private sale in the manner, for the price or prices, and at the time or times that the authority may determine.

(e) The superior court shall have jurisdiction to hear and determine suits, actions, or proceedings relating to the authority, including suits, actions, or proceedings brought to foreclose or otherwise enforce a mortgage, pledge, assignment, or security interest or brought by or for the benefit or security of a holder of its bonds or by a trustee for or other representative of the holders.

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(f) Before issuing bonds for a project under this chapter, the authority shall submit to the state bond committee a description of the bond issue and an independent economic feasibility analysis of the project and expected revenue. This information may be contained in a preliminary prospectus, offering circular, or official statement relating to the bond issue. Bonds may not be issued under this chapter unless the state bond committee finds, based upon the information submitted by the authority under this subsection and other information that is reasonably available to the committee, that the project revenue can be reasonably expected to be adequate for payment of the principal and interest on the bonds to be issued if the bonds are to be secured by project revenue alone, and in any event that issuance of the bonds by the authority would not be expected to adversely affect the ability of the state or its political subdivisions to market bonds.

~~(g) The total principal sum of bonds issued under this chapter may not exceed \$100,000,000, exclusive of refunding bonds.~~

delete

Sec. 30.17.220. TRUST INDENTURES AND TRUST AGREEMENTS. In the discretion of the authority, an issue of bonds may be secured by a trust indenture or trust agreement between the authority and a corporate trustee, which may be a trust company, bank, or national banking association, with corporate trust powers, located inside or outside the state, or by a secured loan agreement or other instrument or under a resolution giving powers to a corporate trustee, after this in this section referred to as "trust agreement," by means of which the authority may

(1) make and enter into the covenants and agreements with the trustee or the holders of the bonds that the authority determines necessary or desirable, including, without limitation, covenants, provisions, limitations, and agreements as to

(A) the application, investment, deposit, use, and disposition of the proceeds of the bonds of the authority or of money or other property of the authority or in which it has an interest;

(B) the fixing and collection of rents or other consideration for, and the other terms to be incorporated in, an agreement with respect to a project;

(C) the assignment by the authority of its rights in a mortgage or other security interest created with respect to a project to a trustee for benefit of bondholders;

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(D) the terms and conditions upon which additional bonds of the authority may be issued;

(E) the vesting in a trustee of rights, powers, duties, funds, or property in trust for the benefit of bondholders, including, without limitation, the right to enforce payment, performance, and all other rights of the authority or of the bondholders under a lease, contract of sale, mortgage, security agreement, or trust agreement with respect to a project by appropriate judicial proceeding or by taking possession of by agent or otherwise and operating a project and collecting rents or other consideration and applying the same in accordance with the trust agreement;

(2) pledge, mortgage, or assign money, leases, agreements, property, or other assets of the authority either presently in hand or to be received in the future, or both; and

(3) provide for other matters that affect the security or protection of the bonds.

Sec. 30.17.230. VALIDITY OF PLEDGE. (a) It is the intent of the legislature that a pledge made in respect of bonds issued under this chapter is perfected, valid, and binding from the time the pledge is made; that the money or property so pledged and thereafter received by the authority is immediately subject to the lien of the pledge without physical delivery or further act; and that the lien of the pledge is valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the authority whether or not the parties have notice. Neither the resolution, trust agreement, nor any other instrument by which a pledge is created need be recorded or filed under the provisions of the Uniform Commercial Code to be perfected or to be valid, binding, or effective against the parties.

(b) This section does not affect title to or conveyances of real property, and does not limit the applicability of AS 40.17.080.

Sec. 30.17.240. NONLIABILITY ON BONDS. (a) Neither the members of the authority nor a person executing the bonds are liable personally on the bonds issued by the authority or are subject to personal liability or accountability by reason of the issuance of the bonds.

(b) The bonds issued by the authority do not constitute an indebtedness or other

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liability of the state or of a political subdivision of the state, but shall be payable solely from the income and receipts or other funds or property of the authority. The authority may not pledge the faith or credit of the state or of a political subdivision of the state, except the authority, to the payment of a bond, and the issuance of a bond by the authority does not directly, indirectly, or contingently obligate the state or a political subdivision of the state to apply money from, levy, or pledge any form of taxation to the payment of the bond.

(c) The authority shall print the language of (b) of this section in substantial form on the face of all bonds issued and in any offering circular, or statement issued in connection with the bonds.

Sec. 30.17.250. PLEDGE OF THE STATE. The state pledges to and agrees with the holders of bonds issued under this chapter and with the federal agency that loans or contributes funds in respect to a project, that the state will not limit or alter the rights and powers vested in the authority by this chapter to fulfill the terms of a contract made by the authority with the holders or federal agency, or in any way impair the rights and remedies of the holders until the bonds, together with the interest on them with interest on unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of the holders, are fully met and discharged. The authority may include this pledge and agreement of the state, insofar as it refers to holders of bonds of the authority, in a contract with the holders, and insofar as it relates to a federal agency, in a contract with the federal agency.

Sec. 30.17.260. EXEMPTION FROM TAXATION. (a) The real and personal property of the authority and its assets, income, and receipts are declared to be the property of a political subdivision of the state and, ~~together with a project financed under this chapter,~~ are exempt from taxes and special assessments of the state or a political subdivision of the state. Bonds of the authority are declared to be issued by a political subdivision of the state and for an essential public and governmental purpose and to be a public instrumentality, and the bonds, the interest on them, the income from them, and the transfer of the bonds, and all assets, income, and receipts pledged to pay or secure the payment of the bonds or interest on them shall at all times be exempt from taxation by or under the authority of the state, except for inheritance and estate taxes and taxes on transfers by or in contemplation of death.

A 207

1 (b) This section does not affect or limit an exemption from license fees, property
2 taxes, or excise, income, or other taxes, provided under any other law, nor does it create
3 a tax exemption with respect to the interest of any business enterprise or other person,
4 other than the authority, in any property, assets, income, receipts, project, or lease
5 whether or not financed under this chapter.

6 Sec. 30.17.270. BONDS LEGAL INVESTMENTS FOR FIDUCIARIES. The
7 bonds of the authority are securities in which public officers and bodies of the state;
8 municipalities and municipal subdivisions; insurance companies and associations and
9 other persons carrying on an insurance business; banks, bankers, trust companies, savings
10 banks, savings associations, including savings and loan associations and building and
11 loan associations, investment companies, and other persons carrying on banking business;
12 administrators, guardians, executors, trustees, and other fiduciaries; and other persons
13 who are now or may afterward be authorized to invest in bonds or other obligations of
14 the state, may properly and legally invest money, including capital in their control or
15 belonging to them. Notwithstanding any other provisions of law, the bonds of the
16 authority are also securities that may be deposited with and may be received by public
17 officers and bodies of the state and municipalities and municipal subdivisions for any
18 purpose for which the deposit of bonds or other obligations of the state is now or may
19 afterward be authorized.

20 Sec. 30.17.280. ENTERPRISE DEVELOPMENT ACCOUNT. (a) The
21 enterprise development account is established in the authority. The enterprise
22 development account is a trust fund for the uses and purposes of this chapter. The
23 enterprise development account consists of money or assets appropriated or transferred
24 to the authority and other money or assets deposited in it by the authority.

25 (b) The authority may establish in the enterprise development account the
26 accounts it considers appropriate.

27 (c) Money and other assets of the enterprise development account may be used
28 to secure bonds of the authority issued to finance the purchase of loans for projects or
29 may be used to purchase participation in the loans for projects.

30 (d) A loan participation purchased by the authority with assets of the enterprise
31 development account or with proceeds of bonds secured by assets of the enterprise
32 development account

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(1) may not be purchased unless

(A) the project applicant is not, or, if the applicant is not a single proprietorship, all members of the business enterprise or enterprises constituting the project applicant are not, in default on another loan made by the state or by a public corporation of the state;

(B) the project applicant has, or, if the applicant is not a single proprietorship, all members of the business enterprise or enterprises constituting the project applicant have, paid all taxes due to the state, has satisfied financial requirements for state tax cases that are under appeal, and is current on all payment schedules relating to state taxes or settlement of tax disputes with the state; and

(C) at least 20 percent of the principal amount of the loan is retained by the loan originator;

(2) may not be purchased if the loan to be purchased exceeds the cost of the project or 75 percent of the appraised value of the project, whichever is less, unless the amount of the loan in excess of this limit is federally insured or guaranteed or is insured by a qualified mortgage insurance company;

(3) may not be purchased if the participation in the loan to be purchased is for a term longer than three-quarters of the authority's estimate of the life of the project or 25 years from the date the loan is made, whichever is earlier; however, in the case of a loan participation for a power transmission intertie, the term may not be longer than 50 years from the date the loan is made;

(4) may be made only if the participation in the loan to be purchased contains amortization provisions; the amortization provisions

(A) must be complete and satisfactory to the authority and require periodic payments by the borrower;

(B) may allow the loan originator to amortize the portion of the loan retained by the loan originator using a shorter amortization schedule than the amortization schedule for the portion of the loan held by the authority if

(i) in the authority's opinion, the project financed can support the increased debt service; and

(ii) the accelerated amortization schedule is required to

1 induce the originator to make the loan;

2 (5) may be made only if the participation in the loan to be purchased is
3 in the form and contains the terms and provisions with respect to insurance, repairs,
4 alterations, payment of taxes and assessments, default reserves, delinquency charges,
5 default remedies, acceleration of maturity, secondary liens, and other matters the
6 authority prescribes; and

7 (6) may be made only if the participation in the loan to be purchased is
8 secured as to repayment by a mortgage or other security instrument in the manner the
9 authority determines is feasible to assure timely repayment under a loan agreement
10 entered into with the borrower.

11 (e) The authority may adopt regulations for the administration of the enterprise
12 development account including provisions for fees and agreements relating to application,
13 loan commitment, servicing, and origination of loans by other lenders.

14 (f) The authority may enter into agreements as to the use of the money in the
15 enterprise development account including trust or custody arrangements with banks or
16 trust companies. It may also pledge, assign, or grant the agreement, interests under an
17 agreement, or interests in the enterprise development account as may be necessary or
18 appropriate to provide for payment and security for bonds of the authority issued to
19 finance the purchase by the authority of loans for projects.

20 (g) Notwithstanding any other provision of this section, the authority may waive
21 or modify the requirements of this section as it considers appropriate and prudent in
22 order to finance a project if the authority intends to own the project or in order to
23 finance a power transmission intertie project.

24 (h) The provisions of this section apply only with respect to a loan participation
25 purchased by the authority for projects under this chapter.

26 ARTICLE 4. MISCELLANEOUS PROVISIONS.

27 Sec. 30.17.300. AUDIT. The legislative auditor shall audit or shall cause to
28 have audited annually the financial records of the authority. The legislative auditor may
29 prescribe the form and content of the financial records of the authority and shall have
30 access to these records at reasonable times.

31 Sec. 30.17.310. EQUAL USE AND ACCESS. If the authority owns, leases, or
32 otherwise operates or controls, or participates in the financing of, a facility, the authority

1 shall, to the maximum extent possible, provide for equal rights of access to and use of
2 the facility by members of the public and other persons or entities upon terms and
3 conditions that are fair and reasonable. However, this section does not prevent the
4 authority from establishing fair and reasonable limitations on use of or access to a facility
5 to the extent the limitations are necessary in connection with the nature of the facility or
6 the demand for use of or access to the facility. This section applies to the establishment
7 of rates and rate structures as well as all other factors, terms, and conditions relating to
8 the use of or access to the facility, including without limitation the design and location
9 of the facility. The members of the authority shall make a written finding concerning
10 compliance of the facility with this section. A written finding signed by a majority of
11 the authority members complies with the provisions of this section and shall constitute
12 a conclusive presumption of compliance.

13 Sec. 30.17.320. SUCCESSION. Whenever a municipality, other than a second
14 class city, is created with an area coterminous with or inclusive of the area of the
15 authority, the authority shall be integrated into the municipality within one year after
16 incorporation. On integration, the municipality succeeds to the rights, powers, duties,
17 assets, and liabilities of the authority.

18 Sec. 30.17.330. PURCHASE OF PROJECT AND LEASES. (a) This chapter
19 does not prevent the inclusion in a lease or other agreement relating to a project of a
20 provision granting the right to purchase the project, or to renew or extend the lease or
21 agreement, upon the terms and conditions that may be provided for in the lease or
22 agreement.

23 (b) A lease with respect to a project may provide for two or more lessees with
24 the legal relationship between themselves and the authority that the authority may
25 approve, including provisions to the effect that the obligations of the lessees under the
26 lease for payment of rental or otherwise between themselves and the authority are
27 several, joint, or joint and several and that the lessees lease the project as
28 tenants-in-common, or otherwise.

29 Sec. 30.17.340. CONFLICTS OF INTEREST. (a) A member of the authority
30 may not vote on a matter relating to a lease or contract entered into or to be entered into
31 by the authority under this chapter if the member is a party to the lease or contract or
32 has a direct ownership or equity interest in a firm, partnership, corporation, or association

1 that may be a party to the contract or lease. A matter relating to a lease or contract that
2 is approved by a majority of the members who are not barred from voting under this
3 section is a valid action of the authority for all purposes.

4 (b) Members of the authority are subject to AS 39.52 (Alaska Executive Branch
5 Ethics Act).

6 Sec. 30.17.350. OPERATION OF CERTAIN STATUTES EXCEPTED. (a) The
7 authority may not be considered to be or constitute (1) a political subdivision of the state
8 as the term is used in AS 37.10.085, (2) a municipal corporation or political subdivision
9 of the state as the terms are used in AS 29, or (3) except as provided in AS 30.17.360,
10 a state agency as the term is used in AS 37, but for all other purposes the authority
11 constitutes a political subdivision and an instrumentality of the state as provided in this
12 chapter.

13 (b) The funds, income, or receipts of the authority may not be considered to be
14 or constitute money of the state, nor may real property in which the authority has an
15 interest be considered land owned in fee by the state or to which the state may become
16 entitled or in any way land belonging to the state, or state land referred to in art. VIII,
17 Constitution of the State of Alaska.

18 Sec. 30.17.360. COMPLIANCE WITH EXECUTIVE BUDGET ACT;
19 AUTHORITY FINANCES. (a) The operating budget of the authority is subject to
20 AS 37.07 (Executive Budget Act).

21 (b) To further ensure effective budgetary decision making by the legislature, the
22 authority shall

23 (1) annually review the authority's assets to determine whether assets of
24 the authority exceed an amount required to fulfill the purposes of the authority as defined
25 in this chapter; in making its review, the members of the authority shall determine
26 whether, and to what extent, assets in excess of the amount required to fulfill the
27 purposes of the authority during at least the next fiscal year are available without

28 (A) breaching an agreement entered into by the authority;

29 (B) materially impairing the operations or financial integrity of
30 the authority; or

31 (C) materially affecting the ability of the authority to fulfill the
32 authority's purposes; and

1 (2) present to the legislature by January 10 of each year a complete
2 accounting of all assets of the authority and a report of the review and determination
3 made under (1) of this subsection; the accounting shall be audited by the auditor who
4 conducts the audit required by AS 30.17.300, including income earned on assets of the
5 authority during that period.

6 Sec. 30.17.370. REPORTS AND PUBLICATIONS. By January 10 of each
7 year, the authority shall publish a report for distribution to the governor, legislature, and
8 the public. The authority shall notify the legislature that the report is available. The
9 report shall be written in easily understandable language. The report must include a
10 financial statement audited by an independent outside auditor, a statement of the
11 authority's investments under this chapter, including an appraisal of the investments at
12 market value, a comparison of the authority's performance with the goals of the
13 authority, and other information the members of the authority believe would be of
14 interest to the governor, the legislature, and the public. The annual income statement and
15 balance sheet of the authority shall be published in at least one newspaper circulating in
16 each judicial district. The authority may also publish other reports it considers desirable
17 to carry out its purposes.

18 ARTICLE 5. GENERAL PROVISIONS.

19 Sec. 30.17.900. DEFINITIONS. In this chapter,

- 20 (1) "authority" means the Adak Reuse Authority created by this chapter;
21 (2) "bonds" means bonds or other obligations issued under this chapter;
22 (3) "business enterprise" means a single proprietorship, cooperative,
23 corporation, firm, partnership, or other association of persons organized in any manner,
24 for any credit worthy business purpose;
25 (4) "facility" means real property, whether above or below mean high
26 water, or an interest in it, and the buildings, improvements, and structures constructed
27 or to be constructed on or in it, and may include fixtures, machinery, and equipment on
28 it or in it, and tangible personal property, regardless of whether the tangible personal
29 property is attached to or connected with real property, if the owner has agreed not to
30 remove the tangible personal property permanently from the state for the period the
31 authority sets; "facility" does not include work in process or stock in trade;
32 (5) "federal agency" means the United States and any officer, department,

1 agency or instrumentality of the United States;

2 (6) "lease" includes, when used as a noun, an interest in, or when used
3 as a verb, the transfer of an interest in, property less than fee simple title, including,
4 when used as a noun, agreements to use or occupy property;

5 (7) "person" includes a corporation, company, partnership, firm,
6 association, organization, business trust, society, state or agency or subdivision of the
7 state, municipality of the state, a resource development authority, as well as a natural
8 person;

9 (8) "project" means

10 (A) a facility used or intended for use in connection with making,
11 processing, preparing, transporting, or producing goods, products, or substances
12 of any kind or nature or in connection with developing or using a natural
13 resource, or extracting, smelting, transporting, converting, assembling, or
14 producing minerals, raw materials, chemicals, compounds, alloys, fibers,
15 commodities and materials, products, or substances of any kind or nature;

16 (B) a facility used or intended for use in connection with a
17 business enterprise;

18 (C) commercial activity by a small enterprise;

19 (D) a facility demonstrating technological advances of new
20 methods and procedures and prototype commercial applications for the
21 exploration, development, production, transportation, conversion, and use of
22 energy resources;

23 (E) infrastructure for a new tourism destination facility or for the
24 expansion of a tourism destination facility;

25 (F) a facility, other than a facility described in (D) of this
26 paragraph, for the generation, transmission, development, transportation,
27 conversion, or use of energy resources;

28 (9) "project applicant" means a business enterprise or enterprises
29 proposing to

30 (A) use or occupy a project; or

31 (B) agree to permit others to use or occupy a project;

32 (10) "real property" means land and rights and interests in land, including

1 interests less than full title such as easements, uses, leases, and licenses.

2 * **Sec. 2.** AS 39.25.110(11) is amended to read:

3 (11) the officers and employees of the following boards, commissions,
4 and authorities:

5 (A) [REPEALED

6 (B)] Alaska Permanent Fund Corporation;

7 (B) [(C)] Alaska Industrial Development and Export Authority;

8 (C) [(D)] Alaska Commercial Fisheries Entry Commission;

9 (D) [(E)] Alaska Commission on Postsecondary Education;

10 (E) [(F)] Alaska Aerospace Development Corporation;

11 (F) Adak Reuse Authority;

12 * **Sec. 3. INITIAL TERMS.** Notwithstanding AS 30.17.020, enacted in sec. 1 of this Act,
13 the initial term of one member appointed under (a)(2) of that section, and the initial terms of two
14 members appointed under (a)(3) of that section, shall be one year.

Alaska State Legislature
Representative Carl E. Moses

CHAIRMAN
HOUSE RULES COMMITTEE

VICE-CHAIRMAN
HOUSE SPECIAL COMMITTEE ON FISHERIES

SESSION:
STATE CAPITAL BUILDING
JUNEAU, ALASKA 99801-1182
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MEMORANDUM

DATE: March 18, 1996

TO: Rep. Mark Hanley, Co-Chairman
Rep. Richard Foster, Co-Chairman
Members, House Finance Committee

FROM: Rep. Carl E. Moses, Chairman
House Rules Committee

SUBJ: Revised CS For HB 466 - Adak Reuse Authority

HB 466 is back before you today in the committee meeting. A draft CS is attached (9LS1580/G), which addresses improvements as suggested by bond counsel. In addition, we have amended the board membership criteria to put more emphasis on regional resident participation.

At today's meeting, Mr. Ken Vassar, bond counsel, will again be available by teleconference. Also, Mr. Jim Baldwin of the Attorney General's office.

The changes in this CS are:

1. p. 1, line 15 through p. 2, line 3 - provides that two of the four public members of the authority must be residents of the area within the boundaries defined by the Aleut Regional Corporation. This will ensure greater regional participation.

2. p. 3, lines 18-19 - changed language from "jointly operate" to "for operation of" in order to preclude joint operating agreements with federal entities.
3. p. 4, line 7 - language was added to clearly express the authority's ability to issue revenue bonds.
4. p. 4, line 28 - Sec. 30.17.120 already provides for the immediate expediting of regulations when waiting for the statutory 30-day period would not be prudent. No change to this CS needed.
5. p.5, line 10 - reflects the deletion from the previous CS which restricted the authority's ability to use state grants, appropriations, or other transfers to satisfy bond obligations, or otherwise establish collateral. Also deleted the restriction on the authority to use rents, fees, or other charges for financing development or improvement of unrelated facilities.
6. p. 6, lines 5-6 - added the provision that the legislature must approve the authority's share of any financing which exceeds \$10 million.
7. p.11, lines 8-11 - expanded the language providing that project applicants be current with state tax matters. Now states that they would be considered current if they are meeting payment schedules, have a tax case under appeal, or are meeting terms of tax dispute settlements.
8. p. 13, line 17 - deleted language from the previous CS which restricted a future municipality's option to accept the indebtedness of the authority when succession occurs.

Please contact Tim Benintendi of my staff at 3764 if more information is needed.

Alaska State Legislature
Representative Carl E. Moses

CHAIRMAN
HOUSE RULES COMMITTEE

VICE-CHAIRMAN
HOUSE SPECIAL COMMITTEE ON FISHERIES

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MEMORANDUM

DATE: March 12, 1996

TO: Rep. Mark Hanley, Co-Chairman
Rep. Richard Foster, Co-Chairman
Members, House Finance Committee

FROM: Rep. Carl E. Moses, Chairman *CEM*
House Rules Committee

SUBJ: Update on House Bill 466 - Adak Reuse Authority

HB 466 is back before you today in the committee meeting. A draft CS is attached, which addresses several concerns raised at previous hearings. The changes are described below.

At today's meeting, Mr. Ken Vassar of the offices of Wohlforth, Argetsinger, Johnson & Brecht, advisors to the Municipal Bond Bank, will be available by teleconference. Also available to testify in person will be Lamar Cotten, Deputy Commissioner, C. R. & A, and Sarah Felix of the Attorney General's office.

Also attached is a copy of preliminary general comments by bond counsel, and an opinion discussing exemption from taxation (reference p. 9, lines 23-32, and p. 10, lines 1-6).

Changes included in this CS:

1. p. 17, lines 12-14, setting out staggered terms of authority board members.

2. p. 5, lines 14-21, adding a precondition to transfer and acceptance of assets that states the authority cannot do so unless there is sufficient funding to manage or operate at a minimal level for two years; also identifies the director of OMB as the one to determine sufficiency of funding, with authority to approve or disapprove. This gives the administration oversight opportunity.
3. adding (1), p. 3, line 12, to more clearly state the administrative function relative to receiving federal assets.
4. p. 3, line 27, changing "make and alter bylaws..." to "adopt and amend bylaws..."
5. p. 3, line 30, at (5), adding language specifying the ability to accept title to, or other interest in, assets.
6. p. 7, line 15, reducing bonding limit from \$400 million to \$100 million.
7. p. 11, line 7-9, adding a provision (B) that applicants for loan participations not be in arrears on taxes due the state.
8. deleting references to loan participations for power transmission intertie projects.
9. p. 13, lines 11-17, refined language dealing with succession by using "municipality, other than a second class city..." instead of "borough of the first or second class, or home rule municipality..." to clarify the type of entity into which the Adak Reuse Authority would integrate. Additionally, this section provides that a municipality may not use taxes to pay the indebtedness acquired from the authority. As this reads, there is no choice on the part of the municipality.
10. p. 13, lines 29-32, and p. 14, lines 1-3, changing "resolution" to "contract or lease" when specifying circumstances wherein a member of the authority may not vote under a conflict of interest.
11. p. 14, lines 4-5, adding language to subject the authority to the Executive Branch Ethics Act.

12. p. 14, lines 13-20, still needs discussion to resolve.

Please contact Tim Benintendi of my staff at 3764 if more information is needed.

CEM/tb/m16

WOHLFORTH, ARGETSINGER, JOHNSON & BRECHT

A PROFESSIONAL CORPORATION

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KENNETH S. VASSTAS
ERIC S. WOHLFORTH

OF COUNSEL
PETER ARGETSINGER

MEMORANDUM

TO: Norm Laveaque
FROM: Eric Wohlforth
DATE: March 8, 1996
SUBJECT: HB 466 - An act establishing the Adak Reuse Authority

I have the following comments with respect to this bill:

1. Page 2, line 7. Consideration should be given to staggered terms of members so that all the members' terms do not expire at once.
2. Page 3, line 14. The purpose of the Authority is drafted in a limited manner. An operation agreement with the federal government would have to be for joint operation of the facilities. Is this intended, or are any agreements with the federal government or others intended to be authorized?
3. Page 4, line 21. Certain other authority acts contain an expedited administrative procedure section under which regulations may be in effect immediately instead of on a 30-day delay basis.
4. Page 5, line 6. The limitation that state appropriations cannot be used to establish bond security may well mean that the Authority does not have the practical ability to issue bonds. The limitation on using rents to finance unrelated facilities is unclear. The facilities at the Adak Naval Air Facility are the only ones which are dealt with under the act. The other facilities would be beyond the corporate purposes of the Authority.
5. It is noted that the bonding provisions, (page 7, line 8 through page 10, line 18) contain no provisions authorizing moral obligation debt.

CS

p. 17
l. 12-14

p. 3
l. 15

p. 4
l. 25-27

p. 5
l. 7

HB 466
3/12/96
Attachment 4

6. Page 10, line 17 through page 12, line 21. These provisions seem to contemplate that the Authority will be in the business of making loan participations. Is there any reasonable anticipation that participation lenders will be found for entrepreneurial loans with respect to the naval facility? I note also the reference that page 10, line 31 to "power transmission intertie" which I apprehend comes from copying this from another legislative bill.

- deleted

7. Page 13, line 10. If a borough is created for the area of the Adak naval facility, the authority would be integrated into the borough. An alternative suggestion is to make this an option as the borough may have reasons to allow the authority to continue after it is created.

- no

In general, I feel that in order to be a useful and effective redevelopment tool the Adak Reuse Authority should have at least the right to pledge any state appropriations made to it which are not limited on their face to non-bond purposes, and perhaps the right to issue tax exempt bonds secured by the moral obligation of the state.



550 W. 7th Ave., Suite 1325
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DATE: 3/7/96 #of pages including cover letter 3
 TO: Tim Benintendi Fax#: 1-907-465-3445
 FROM: Rea Moses OFFICE FROM: 0 Toni Phillipa
 FROM: Norm Lovesque
 COMMENTS: _____

Bond Counsel preliminary comments
on HB 466 are attached.

Will notify you as to date
and time that we can teleconference
with Bond Counsel.

Neen

If you don't receive the total number of pages, please call our office within 15 minutes, otherwise we will assume you have received this transmission satisfactorily.

Revised 9/21/95



The **Aleut Corporation**

MEMORANDUM

March 12, 1996

TO: Rep. Mark Hanley, Co-Chair
Rep. Richard Foster, Co-Chair
House Finance Committee

FROM: Aleut Community of the Aleutian Islands/Pribilof Region

RE: House Bill 466 "Adak Reuse Authority"

We respectfully ask your assistance in addressing the following issues either by amending HB 466 or by remanding it back to the subcommittee.

- 1) **Representation** - Please agree that those who stand to win or lose with this authority should have the majority of representation on the board.
- 2) **Stripping of assets** - Please agree with the Aleut people to build in protections against stripping the Island of important assets for at least the first three years.
- 3) **Succession** - Please don't force the dissolution of the authority with the creation of a municipality. It should read "may" not "shall" in HB 466.
- 4) **Use of funds** - Please don't let the authority use Adak revenue funds to finance mortgages on projects outside of Adak. HB 466 does not restrict this.

We hope that the proposed CS for HB 466 can be analyzed and the new fiscal note currently being developed by the Dept. of Community & Regional Affairs be evaluated before the bill is moved from committee.

Both the state and the Aleut Community will bring advantages to the authority. We for example have the ability to access substantial federal assistance. We are committed to being team players with the state to gain the best chance at successfully reusing Adak for the good of the Aleut people, the region, and the state.



March 11, 1996

Representative Mark Hanley
Representative Richard Foster
Co-Chairman, House Finance Committee
State of Alaska
House of Representatives
Capitol Building
Juneau, Alaska

Re: Adak Reuse Authority House Bill 466

Dear Sirs,

The Aleut people of the Aleutians have a tremendous interest in the creation of an Adak Reuse Authority that truly represents the interests of the people who will suffer or prosper at the hands of the Adak Reuse Authority. This letter addresses some important concerns the Aleut people have with House Bill 466 (HB 466). We ask for your help in addressing these concerns.

We have just learned that our discussion with the staff of the bill's sponsor have been to no avail. He has chosen not to include any of our suggested changes to HB 466, even though there are a number of technical and housekeeping changes which we thought were approved in concept.

So we come to House Finance, seeking your support to amend HB 466. We fully understand the power of the Rules Chairman to ask and receive what he wants in a bill; however, this bill is too important to the future of the Aleut people and the region to accept mistakes which can easily be avoided. Please consider helping the Aleut people make the following changes prior to passing the bill from committee.

1. Representation - The Aleut communities in the region believe and ask that a majority of Reuse Authority Board members come from the Aleutian geographic region. While we understand that legally we can not ask the local communities, or villages have specific representation, we request that House Finance change the membership of the authority to read:

Representative Mark Hanley
Representative Richard Foster
March 11, 1996
Page 2

The membership of the authority consists of nine members. Seven of the members shall be appointed from the area comprised of the Aleutian/Pribilof Islands. The intent of the legislature regarding such membership is that:

- A Two members from the State of Alaska, at large, appointed by the Governor.

- B Seven members from the Aleutian/Pribilof Islands geographic area, including to the extent possible:
 - 1. Two members from a list submitted by the twelve tribal governments located in the Aleutian/Pribilof Islands.
 - 2. Two representatives from a list submitted by the fifteen village corporations located within the Aleutian/Pribilof Islands region.
 - 3. One representative appointed from a list submitted by The Aleut Corporation
 - 4. One representative appointed from a list submitted by Aleutian/Pribilof Islands Association.
 - 5. One representative from a list submitted by the City of Atka.

Our concern with the present arrangement is that:

- 1. The vast majority, if not all, of the land base at Adak is about to be transferred to the Aleut people in full satisfaction of outstanding Regional Corporation land claims throughout the Aleutians¹. The Department of Interior desires to eliminate the normal and legitimate unfulfilled land claims of the Aleut people and consolidating remaining entitlements onto Adak - an island they believe to be compromised from a wilderness or monument point of view. It will be very confusing and inefficient to have control of the Adak Reuse Authority which will receive title to buildings and personal property different from the owners of the underlying land². The current authority make-up allows a majority of board members to come from outside the region with a make-up of members with perhaps a different set of interests and values than the Aleut people.

- 2. If, as in the last general election, our region does not happen to support a particular governor, we are concerned that he would have the ability to appoint out-of-region representatives in a politically motivated manner which may not inure to the benefit of

¹ Department of Interior managers have initiated draft agreements which are currently being finalized to transfer over 73,000 acres to the Aleut people in full satisfaction of legitimate and outstanding land claims located throughout the Aleutian/Pribilof Islands.

² There is a possibility that the HB 466 Reuse Authority may not be needed, and that the authority could be the same regional entity which owns the underlying land. This will make it far easier for a commercial entity to actually start operations on a "reused" Adak. However, the Aleut people are willing to work with the LRA suggested in HB 466 if it can be organized in a way that allows regional control.

Representative Mark Hanley
Representative Richard Foster
March 11, 1996
Page 3

the Aleutian/Pribilof region, or the state as a whole. The Aleut region is a small region, made smaller by the closing of Adak.

- 3 Just as it was felt to be important to include geographic representation on the Alaska Railroad Authority bill in the 1980s, the Aleutian people are the ones to be primarily hurt or helped at the success or failure of the authority. The people who are in charge of the decisions of the authority should be the ones with the most to gain or lose by its proper functioning.

The Aleut people ask for your help in bringing representation of this authority to the region and not to statewide political appointees of the Governor.

There are other changes which we have discussed with the author of the CS which we suggest will improve the practical operation of this bill. We still have hope that, unlike the above representation concept which has been specifically refused, that other improvements may still be forthcoming. These improvements include:

1. A change in the bill to reduce the chances of "stripping off" of important community assets, by other entities, for at least five years without a super majority vote of the authority's Board of Directors.
2. A change in the bill to keep the bonds, or the development account from financing second mortgages to restaurants at Dutch Harbor, or other similar inappropriate uses of development account bond funds. The use of bond and authority generated funds needs to be focused specifically on the development of jobs and economic activity on a reused Adak Naval Air Station. Currently, the use of the funds is not tied to Adak at all, but the overall economic interests of the state, which have been loosely interpreted in the past³.
3. A change to add performance and/or "intent" audits of the authority's annual performance in addition to its financial audit requirements.
4. A change to protect commercial entities who are considering establishing jobs and facilities on a reused Adak from the harsh light of press or public disclosure while in the embryonic solicitation/marketing/initial interest phase. However, when a company submits an actual proposal to the reuse authority, of any type, all non-proprietary information would then be disclosed and available to the general public.

³ One provision of the bill does state that the funds can be used for the good of the state "and region", but we feel this will provide an open door incentives to use the authority's bonding and financing capabilities to do projects all over the region which may be totally unrelated to the reuse of Adak Island. We believe this should be tightened in statute.

Representative Mark Hanley
Representative Richard Foster
March 11, 1996
Page 4

The Aleut people and The Aleut Corporation have been totally frustrated in the handling of the Adak reuse authority. This frustration, especially with the inability to have a majority of representation come from the Aleutian region - without any good explanation of why not - has caused some to want to abandon the legislative process and try to accomplish the same goals through tribal/federal means. Please understand it is the frustrations with not being well dealt with by DCRA and the bill's sponsor which have led to any such talk. Please help us reduce the frustration level and get back to a more normal working relationship with the state government on the reuse of Adak issue.

Thank you for your time to read this letter. Please help us get regional representation on the authority's board.

Sincerely,



Elary Gromoff, Jr.
for the Aleut community

cc: House Finance Committee

9-LS1580F
Lauterbach
3/11/96

*NOT USING
THIS ONE*

CS FOR HOUSE BILL NO. 466()
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVE MOSES

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Adak Reuse Authority."

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

3 * Section 1. AS 30 is amended by adding a new chapter to read:

4 CHAPTER 17. ADAK REUSE AUTHORITY.

5 ARTICLE 1. ESTABLISHMENT.

6 Sec. 30.17.010. CREATION OF AUTHORITY. There is created the Adak
7 Reuse Authority. The authority is a public corporation of the state and a body corporate
8 and is an instrumentality of the Department of Community and Regional Affairs, but
9 with separate and independent legal existence.

10 Sec. 30.17.020. MEMBERSHIP OF AUTHORITY. (a) The membership of the
11 authority consists of

- 12 (1) the commissioner of community and regional affairs;
- 13 (2) two other persons selected by the governor who serve as the heads
- 14 of principal departments of the executive branch of state government; and
- 15 (3) four public members appointed by the governor.

1 (b) If a member described in (a)(1) or (2) of this section is unable to attend a
2 meeting of the authority, the member may, by an instrument in writing filed with the
3 authority, designate a deputy or assistant to act in the member's place as a member at the
4 meeting. For purposes of this chapter, the designee is a member of the authority at the
5 meeting.

6 (c) Members of the authority described in (a)(2) and (3) of this section serve
7 two-year terms but serve at the pleasure of the governor.

8 (d) If a vacancy occurs in the membership of the authority, the governor shall
9 immediately appoint a member for the unexpired portion of the term.

10 Sec. 30.17.030. CHAIR AND VICE-CHAIR. The members of the authority
11 shall elect a chair from among themselves. A vice-chair may be elected by the authority
12 from among its other members. The vice-chair presides over all meetings in the absence
13 of the chair and has other duties that the authority may prescribe.

14 Sec. 30.17.040. MEETINGS, COMPENSATION, OFFICERS, AND
15 EMPLOYEES. (a) A majority of the members of the authority constitutes a quorum for
16 the transaction of business or the exercise of a power or function at a meeting of the
17 authority. In case of a tie vote on a motion or resolution pending before the authority,
18 the motion or resolution shall be presented to the governor and, if approved by the
19 governor, is considered adopted by the authority. The authority may meet and transact
20 business by electronic media if (1) public notice of the time and locations where the
21 meeting will be held by electronic media has been given in the same manner as if the
22 meeting were held in a single location; (2) participants and members of the public in
23 attendance can hear and have the same right to participate in the meeting as if the
24 meeting were conducted in person; and (3) copies of pertinent reference materials,
25 statutes, regulations, and audio-visual materials are reasonably available to participants
26 and to the public. A meeting by electronic media as provided in this subsection has the
27 same legal effect as a meeting in person.

28 (b) The public members of the authority are entitled to \$100 compensation for
29 each day spent on official business of the authority and may be reimbursed by the
30 authority for actual and necessary expenses at the same rate paid to members of state
31 boards under AS 39.20.180.

32 (c) The authority may appoint persons as officers it considers advisable,

1 including an executive director, and may employ professional advisors, legal counsel,
2 technical experts, agents, and other employees it considers advisable. The executive
3 director and employees of the authority are in the exempt service under AS 39.25.

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4 (d) The authority shall keep minutes of each meeting and send a certified copy
5 to the governor and to the Legislative Budget and Audit Committee.

6 ARTICLE 2. PURPOSE AND GENERAL POWERS.

7 Sec. 30.17.100. PURPOSE OF THE AUTHORITY. The purpose of the
8 authority is to develop and implement a comprehensive reuse and redevelopment plan
9 for the territory encompassed by the Adak Naval Air Facility in a manner that will attract
10 business, create jobs, and advance the general prosperity and economic welfare of the
11 people of the state by

12 (1) administering in a manner consistent with the purpose of the authority
13 the assets transferred to the authority by the federal government, including facilities and
14 other real or personal property, located at the Adak Naval Air Facility;

15 (2) entering into necessary agreements with the federal government to
16 jointly operate the facilities comprising the Adak Naval Air Facility;

17 (3) operating or contracting with others to operate enterprises and other
18 facilities located at the Adak Naval Air Facility; and

19 (4) cooperating and acting in conjunction with other organizations, public
20 and private, the objects of which are the promotion and advancement of economic use
21 of the facilities located at the Adak Naval Air Facility.

22 Sec. 30.17.110. POWERS OF THE AUTHORITY. In furtherance of its
23 corporate purposes, the authority may, in addition to other powers that it may have by
24 law,

25 (1) sue and be sued;

26 (2) have a seal and alter the seal at its pleasure;

27 (3) adopt and amend bylaws for its organization and internal
28 management;

29 (4) adopt regulations governing the exercise of its corporate powers;

30 (5) subject to AS 30.17.130(d), accept title to, or other interest in, assets
31 transferred to the authority by the federal government, including facilities and other real
32 or personal property, located at the Adak Naval Air Facility;

1 (6) lease to others a project acquired by it for the rentals and upon the
2 terms and conditions the authority may consider advisable, including, without limitation,
3 provisions for options to purchase or renew;

4 (7) provide for and secure the payment of bonds and the rights of holders
5 of them and to purchase, hold, and dispose of bonds;

6 (8) sell, by installment sale or otherwise, exchange, donate, convey, or
7 encumber in any manner by mortgage or by creation of any other security interest, real
8 or personal property owned by it, or in which it has an interest, including a project,
9 when, in the judgment of the authority, the action is in furtherance of its corporate
10 purposes;

11 (9) accept gifts, grants, or loans from, and enter into contracts or other
12 transactions regarding them with, a federal agency or an agency or instrumentality of the
13 state, a municipality, a private organization, or other source;

14 (10) deposit or invest its funds, subject to agreements with bondholders;

15 (11) acquire, manage, and operate projects as the authority considers
16 necessary or appropriate to serve a public purpose;

17 (12) enter into contracts or other transactions with a federal agency, with
18 an agency or instrumentality of the state or of a municipality, or with a private
19 organization or other entity consistent with the exercise of any power under this chapter;

20 (13) charge fees or other forms of remuneration for the use or possession
21 of the projects described in (11) of this section in accordance with the agreements
22 described in (12) of this section, other agreements pertaining to the projects, covenants,
23 or representations made in bond documents pertaining to the projects, or regulations of
24 the authority pertaining to the projects.

25 Sec. 30.17.120. ADMINISTRATIVE PROCEDURE. The provisions of the
26 Administrative Procedure Act regarding the adoption of regulations (AS 44.62.040 -
27 44.62.320) apply to the authority.

28 Sec. 30.17.130. LIMITATION ON POWERS. (a) The authority has only the
29 powers expressly granted in this chapter, reasonably implied from this chapter, or
30 reasonably necessary or convenient to carry out its corporate purposes and to exercise
31 the powers expressly granted in or reasonably implied from this chapter.

32 (b) The authority does not have powers of

- 1 (1) eminent domain;
- 2 (2) taxation;
- 3 (3) land use planning;
- 4 (4) zoning;
- 5 (5) permitting; or
- 6 (6) other similar governmental powers.

7 (c) The authority may not use

8 (1) state grants, appropriations, or other transfers from the state to satisfy
9 bond obligations or otherwise establish collateral or security for bonds issued by the
10 authority;

11 (2) rents, rates, fees, or other charges collected through operation of a
12 facility owned by the authority to finance the improvement, establishment, and
13 development of unrelated facilities.

14 (d) The authority may not accept transfer by the federal government of title to,
15 an interest in, control over, or responsibility for a facility or other real or personal
16 property located at the Adak Naval Air Facility unless sufficient federal or other money
17 is available to the authority to manage the property or operate the facility at a minimal
18 level for two years after the date of the transfer. The director of the office of
19 management and budget shall determine whether sufficient money is available to the
20 authority with respect to each proposed transfer subject to this subsection, and approve
21 or disapprove the proposed transfer.

22 ARTICLE 3. PROJECTS; BONDS.

23 Sec. 30.17.200. CONSIDERATION OF PROJECTS TO BE FINANCED. (a)
24 Before issuing bonds for a project under this chapter, the authority must find, on the
25 basis of all information reasonably available to it, that the

26 (1) project and its development under this chapter will be economically
27 advantageous to the state and the general public welfare and will contribute to the
28 economic growth of the state;

29 (2) project is financially sound and can be expected to produce revenue
30 adequate to repay the bonds with which it is financed; and

31 (3) scope of the project is sufficient to provide a reasonable expectation
32 of a benefit to the region and the economy of the state.

1 (b) The authority shall give fair and reasonable consideration to a project
2 presented to it for financing. When the authority determines whether to finance or assist
3 in the financing of a project, the authority shall state the reasons for its determination in
4 a written resolution upon request by a person who presented the project to the authority
5 or a person who presented opposition to the project. The authority shall base its reasons
6 on the information presented to it concerning the project and on other information
7 considered appropriate by the authority.

8 Sec. 30.17.210. BONDS OF THE AUTHORITY. (a) Subject to the provisions
9 of AS 30.17.200(a), the authority may borrow money and may issue revenue bonds,
10 including bonds on which the principal and interest are payable

11 (1) exclusively from the income and receipts or other money derived
12 from the project financed with the proceeds of the bonds;

13 (2) exclusively from the income and receipts or other money derived
14 from designated projects whether or not they are financed in whole or in part with the
15 proceeds of the bonds; or

16 (3) from the income and receipts or assets generally, or a designated part
17 or parts of them, of the authority or of any other person.

18 (b) Bonds issued under this chapter shall be authorized by resolution of the
19 authority, and shall be dated and shall mature as the resolution may provide, except that
20 a bond may not mature more than 40 years from the date of its issuance. The bonds
21 shall bear interest at the rate or rates, be in the denominations, be in the form, either
22 coupon or registered, carry the registration privileges, be executed in the manner, be
23 payable in the medium of payment, at the place or places, and be subject to the terms
24 of redemption that the resolution or a subsequent resolution may provide.

25 (c) Bonds issued under this chapter, regardless of form or character, shall be
26 negotiable instruments for the purposes of the Uniform Commercial Code.

27 (d) Bonds issued under this chapter may be sold at public or private sale in the
28 manner, for the price or prices, and at the time or times that the authority may determine.

29 (e) The superior court shall have jurisdiction to hear and determine suits, actions,
30 or proceedings relating to the authority, including suits, actions, or proceedings brought
31 to foreclose or otherwise enforce a mortgage, pledge, assignment, or security interest or
32 brought by or for the benefit or security of a holder of its bonds or by a trustee for or

1 other representative of the holders.

2 (f) Before issuing bonds for a project under this chapter, the authority shall
3 submit to the state bond committee a description of the bond issue and an independent
4 economic feasibility analysis of the project and expected revenue. This information may
5 be contained in a preliminary prospectus, offering circular, or official statement relating
6 to the bond issue. Bonds may not be issued under this chapter unless the state bond
7 committee finds, based upon the information submitted by the authority under this
8 subsection and other information that is reasonably available to the committee, that the
9 project revenue can be reasonably expected to be adequate for payment of the principal
10 and interest on the bonds to be issued if the bonds are to be secured by project revenue
11 alone, and in any event that issuance of the bonds by the authority would not be
12 expected to adversely affect the ability of the state or its political subdivisions to market
13 bonds.

14 (g) The total principal sum of bonds issued under this chapter may not exceed
15 \$100,000,000, exclusive of refunding bonds.

16 Sec. 30.17.220. TRUST INDENTURES AND TRUST AGREEMENTS. In the
17 discretion of the authority, an issue of bonds may be secured by a trust indenture or trust
18 agreement between the authority and a corporate trustee, which may be a trust company,
19 bank, or national banking association, with corporate trust powers, located inside or
20 outside the state, or by a secured loan agreement or other instrument or under a
21 resolution giving powers to a corporate trustee, after this in this section referred to as
22 "trust agreement," by means of which the authority may

23 (1) make and enter into the covenants and agreements with the trustee
24 or the holders of the bonds that the authority determines necessary or desirable,
25 including, without limitation, covenants, provisions, limitations, and agreements as to

26 (A) the application, investment, deposit, use, and disposition of
27 the proceeds of the bonds of the authority or of money or other property of the
28 authority or in which it has an interest;

29 (B) the fixing and collection of rents or other consideration for,
30 and the other terms to be incorporated in, an agreement with respect to a project;

31 (C) the assignment by the authority of its rights in a mortgage or
32 other security interest created with respect to a project to a trustee for benefit of

1 bondholders;

2 (D) the terms and conditions upon which additional bonds of the
3 authority may be issued;

4 (E) the vesting in a trustee of rights, powers, duties, funds, or
5 property in trust for the benefit of bondholders, including, without limitation, the
6 right to enforce payment, performance, and all other rights of the authority or of
7 the bondholders under a lease, contract of sale, mortgage, security agreement, or
8 trust agreement with respect to a project by appropriate judicial proceeding or
9 by taking possession of by agent or otherwise and operating a project and
10 collecting rents or other consideration and applying the same in accordance with
11 the trust agreement;

12 (2) pledge, mortgage, or assign money, leases, agreements, property, or
13 other assets of the authority either presently in hand or to be received in the future, or
14 both; and

15 (3) provide for other matters that affect the security or protection of the
16 bonds.

17 Sec. 30.17.230. VALIDITY OF PLEDGE. (a) It is the intent of the legislature
18 that a pledge made in respect of bonds issued under this chapter is perfected, valid, and
19 binding from the time the pledge is made; that the money or property so pledged and
20 thereafter received by the authority is immediately subject to the lien of the pledge
21 without physical delivery or further act; and that the lien of the pledge is valid and
22 binding against all parties having claims of any kind in tort, contract, or otherwise
23 against the authority whether or not the parties have notice. Neither the resolution, trust
24 agreement, nor any other instrument by which a pledge is created need be recorded or
25 filed under the provisions of the Uniform Commercial Code to be perfected or to be
26 valid, binding, or effective against the parties.

27 (b) This section does not affect title to or conveyances of real property, and does
28 not limit the applicability of AS 40.17.080.

29 Sec. 30.17.240. NONLIABILITY ON BONDS. (a) Neither the members of the
30 authority nor a person executing the bonds are liable personally on the bonds issued by
31 the authority or are subject to personal liability or accountability by reason of the
32 issuance of the bonds.

1 (b) The bonds issued by the authority do not constitute an indebtedness or other
2 liability of the state or of a political subdivision of the state, but shall be payable solely
3 from the income and receipts or other funds or property of the authority. The authority
4 may not pledge the faith or credit of the state or of a political subdivision of the state,
5 except the authority, to the payment of a bond, and the issuance of a bond by the
6 authority does not directly, indirectly, or contingently obligate the state or a political
7 subdivision of the state to apply money from, levy, or pledge any form of taxation to the
8 payment of the bond.

9 (c) The authority shall print the language of (b) of this section in substantial
10 form on the face of all bonds issued and in any offering circular, or statement issued in
11 connection with the bonds.

12 Sec. 30.17.250. PLEDGE OF THE STATE. The state pledges to and agrees
13 with the holders of bonds issued under this chapter and with the federal agency that
14 loans or contributes funds in respect to a project, that the state will not limit or alter the
15 rights and powers vested in the authority by this chapter to fulfill the terms of a contract
16 made by the authority with the holders or federal agency, or in any way impair the rights
17 and remedies of the holders until the bonds, together with the interest on them with
18 interest on unpaid installments of interest, and all costs and expenses in connection with
19 an action or proceeding by or on behalf of the holders, are fully met and discharged.
20 The authority may include this pledge and agreement of the state, insofar as it refers to
21 holders of bonds of the authority, in a contract with the holders, and insofar as it relates
22 to a federal agency, in a contract with the federal agency.

23 Sec. 30.17.260. EXEMPTION FROM TAXATION. (a) The real and personal
24 property of the authority and its assets, income, and receipts are declared to be the
25 property of a political subdivision of the state and, together with a project financed under
26 this chapter, are exempt from taxes and special assessments of the state or a political
27 subdivision of the state. Bonds of the authority are declared to be issued by a political
28 subdivision of the state and for an essential public and governmental purpose and to be
29 a public instrumentality, and the bonds, the interest on them, the income from them, and
30 the transfer of the bonds, and all assets, income, and receipts pledged to pay or secure
31 the payment of the bonds or interest on them shall at all times be exempt from taxation
32 by or under the authority of the state, except for inheritance and estate taxes and taxes

1 on transfers by or in contemplation of death.

2 (b) This section does not affect or limit an exemption from license fees, property
3 taxes, or excise, income, or other taxes, provided under any other law, nor does it create
4 a tax exemption with respect to the interest of any business enterprise or other person,
5 other than the authority, in any property, assets, income, receipts, project, or lease
6 whether or not financed under this chapter.

7 Sec. 30.17.270. BONDS LEGAL INVESTMENTS FOR FIDUCIARIES. The
8 bonds of the authority are securities in which public officers and bodies of the state;
9 municipalities and municipal subdivisions; insurance companies and associations and
10 other persons carrying on an insurance business; banks, bankers, trust companies, savings
11 banks, savings associations, including savings and loan associations and building and
12 loan associations, investment companies, and other persons carrying on banking business;
13 administrators, guardians, executors, trustees, and other fiduciaries; and other persons
14 who are now or may afterward be authorized to invest in bonds or other obligations of
15 the state, may properly and legally invest money, including capital in their control or
16 belonging to them. Notwithstanding any other provisions of law, the bonds of the
17 authority are also securities that may be deposited with and may be received by public
18 officers and bodies of the state and municipalities and municipal subdivisions for any
19 purpose for which the deposit of bonds or other obligations of the state is now or may
20 afterward be authorized.

21 Sec. 30.17.280. ENTERPRISE DEVELOPMENT ACCOUNT. (a) The
22 enterprise development account is established in the authority. The enterprise
23 development account is a trust fund for the uses and purposes of this chapter. The
24 enterprise development account consists of money or assets appropriated or transferred
25 to the authority and other money or assets deposited in it by the authority.

26 (b) The authority may establish in the enterprise development account the
27 accounts it considers appropriate.

28 (c) Money and other assets of the enterprise development account may be used
29 to secure bonds of the authority issued to finance the purchase of loans for projects or
30 may be used to purchase participation in the loans for projects.

31 (d) A loan participation purchased by the authority with assets of the enterprise
32 development account or with proceeds of bonds secured by assets of the enterprise

1 development account

2 (1) may not be purchased unless

3 (A) the project applicant is not, or, if the applicant is not a single
4 proprietorship, all members of the business enterprise or enterprises constituting
5 the project applicant are not, in default on another loan made by the state or by
6 a public corporation of the state;

7 (B) the project applicant has, or, if the applicant is not a single
8 proprietorship, all members of the business enterprise or enterprises constituting
9 the project applicant have, paid all taxes due to the state; and

10 (C) at least 20 percent of the principal amount of the loan is
11 retained by the loan originator;

12 (2) may not be purchased if the loan to be purchased exceeds the cost
13 of the project or 75 percent of the appraised value of the project, whichever is less,
14 unless the amount of the loan in excess of this limit is federally insured or guaranteed
15 or is insured by a qualified mortgage insurance company;

16 (3) may not be purchased if the participation in the loan to be purchased
17 is for a term longer than three-quarters of the authority's estimate of the life of the
18 project or 25 years from the date the loan is made, whichever is earlier; however, in the
19 case of a loan participation for a power transmission intertie, the term may not be longer
20 than 50 years from the date the loan is made;

21 (4) may be made only if the participation in the loan to be purchased
22 contains amortization provisions; the amortization provisions

23 (A) must be complete and satisfactory to the authority and require
24 periodic payments by the borrower;

25 (B) may allow the loan originator to amortize the portion of the
26 loan retained by the loan originator using a shorter amortization schedule than the
27 amortization schedule for the portion of the loan held by the authority if

28 (i) in the authority's opinion, the project financed can
29 support the increased debt service; and

30 (ii) the accelerated amortization schedule is required to
31 induce the originator to make the loan;

32 (5) may be made only if the participation in the loan to be purchased is

1 in the form and contains the terms and provisions with respect to insurance, repairs,
2 alterations, payment of taxes and assessments, default reserves, delinquency charges,
3 default remedies, acceleration of maturity, secondary liens, and other matters the
4 authority prescribes; and

5 (6) may be made only if the participation in the loan to be purchased is
6 secured as to repayment by a mortgage or other security instrument in the manner the
7 authority determines is feasible to assure timely repayment under a loan agreement
8 entered into with the borrower.

9 (e) The authority may adopt regulations for the administration of the enterprise
10 development account including provisions for fees and agreements relating to application,
11 loan commitment, servicing, and origination of loans by other lenders.

12 (f) The authority may enter into agreements as to the use of the money in the
13 enterprise development account including trust or custody arrangements with banks or
14 trust companies. It may also pledge, assign, or grant the agreement, interests under an
15 agreement, or interests in the enterprise development account as may be necessary or
16 appropriate to provide for payment and security for bonds of the authority issued to
17 finance the purchase by the authority of loans for projects.

18 (g) Notwithstanding any other provision of this section, the authority may waive
19 or modify the requirements of this section as it considers appropriate and prudent in
20 order to finance a project if the authority intends to own the project or in order to
21 finance a power transmission intertie project.

22 (h) The provisions of this section apply only with respect to a loan participation
23 purchased by the authority for projects under this chapter.

24 ARTICLE 4. MISCELLANEOUS PROVISIONS.

25 Sec. 30.17.300. AUDIT. The legislative auditor shall audit or shall cause to
26 have audited annually the financial records of the authority. The legislative auditor may
27 prescribe the form and content of the financial records of the authority and shall have
28 access to these records at reasonable times.

29 Sec. 30.17.310. EQUAL USE AND ACCESS. If the authority owns, leases, or
30 otherwise operates or controls, or participates in the financing of, a facility, the authority
31 shall, to the maximum extent possible, provide for equal rights of access to and use of
32 the facility by members of the public and other persons or entities upon terms and

1 conditions that are fair and reasonable. However, this section does not prevent the
 2 authority from establishing fair and reasonable limitations on use of or access to a facility
 3 to the extent the limitations are necessary in connection with the nature of the facility or
 4 the demand for use of or access to the facility. This section applies to the establishment
 5 of rates and rate structures as well as all other factors, terms, and conditions relating to
 6 the use of or access to the facility, including without limitation the design and location
 7 of the facility. The members of the authority shall make a written finding concerning
 8 compliance of the facility with this section. A written finding signed by a majority of
 9 the authority members complies with the provisions of this section and shall constitute
 10 a conclusive presumption of compliance.

11 Sec. 30.17.320. SUCCESSION. Whenever a municipality, other than a second
 12 class city, is created with an area coterminous with or inclusive of the area of the
 13 authority, the authority shall be integrated into the municipality within one year after
 14 incorporation. On integration, the municipality succeeds to the rights, powers, duties,
 15 assets, and liabilities of the authority, except that indebtedness of the authority does not
 16 constitute a general obligation of the municipality payable from taxes levied by the
 17 municipality. The municipality may not levy taxes to pay the indebtedness. *What if they*
close it?

18 Sec. 30.17.330. PURCHASE OF PROJECT AND LEASES. (a) This chapter
 19 does not prevent the inclusion in a lease or other agreement relating to a project of a
 20 provision granting the right to purchase the project, or to renew or extend the lease or
 21 agreement, upon the terms and conditions that may be provided for in the lease or
 22 agreement.

23 (b) A lease with respect to a project may provide for two or more lessees with
 24 the legal relationship between themselves and the authority that the authority may
 25 approve, including provisions to the effect that the obligations of the lessees under the
 26 lease for payment of rental or otherwise between themselves and the authority are
 27 several, joint, or joint and several and that the lessees lease the project as
 28 tenants-in-common, or otherwise.

29 Sec. 30.17.340. CONFLICTS OF INTEREST. (a) A member of the authority
 30 may not vote on a matter relating to a lease or contract entered into or to be entered into
 31 by the authority under this chapter if the member is a party to the lease or contract or
 32 has a direct ownership or equity interest in a firm, partnership, corporation, or association

1 that may be a party to the contract or lease. A matter relating to a lease or contract that
2 is approved by a majority of the members who are not barred from voting under this
3 section is a valid action of the authority for all purposes.

4 (b) Members of the authority are subject to AS 39.52 (Alaska Executive Branch
5 Ethics Act).

6 Sec. 30.17.350. OPERATION OF CERTAIN STATUTES EXCEPTED. (a) The
7 authority may not be considered to be or constitute (1) a political subdivision of the state
8 as the term is used in AS 37.10.085, (2) a municipal corporation or political subdivision
9 of the state as the terms are used in AS 29, or (3) except as provided in AS 30.17.360,
10 a state agency as the term is used in AS 37, but for all other purposes the authority
11 constitutes a political subdivision and an instrumentality of the state as provided in this
12 chapter.

13 (b) The funds, income, or receipts of the authority may not be considered to be
14 or constitute money of the state, nor may real property in which the authority has an
15 interest be considered land owned in fee by the state or to which the state may become
16 entitled or in any way land belonging to the state, or state land referred to in art. VIII,
17 Constitution of the State of Alaska.

18 Sec. 30.17.360. COMPLIANCE WITH EXECUTIVE BUDGET ACT;
19 AUTHORITY FINANCES. (a) The operating budget of the authority is subject to
20 AS 37.07 (Executive Budget Act).

21 (b) To further ensure effective budgetary decision making by the legislature, the
22 authority shall

23 (1) annually review the authority's assets to determine whether assets of
24 the authority exceed an amount required to fulfill the purposes of the authority as defined
25 in this chapter; in making its review, the members of the authority shall determine
26 whether, and to what extent, assets in excess of the amount required to fulfill the
27 purposes of the authority during at least the next fiscal year are available without

28 (A) breaching an agreement entered into by the authority;

29 (B) materially impairing the operations or financial integrity of
30 the authority; or

31 (C) materially affecting the ability of the authority to fulfill the
32 authority's purposes; and

1 (2) present to the legislature by January 10 of each year a complete
2 accounting of all assets of the authority and a report of the review and determination
3 made under (1) of this subsection; the accounting shall be audited by the auditor who
4 conducts the audit required by AS 30.17.300, including income earned on assets of the
5 authority during that period.

6 Sec. 30.17.370. REPORTS AND PUBLICATIONS. By January 10 of each
7 year, the authority shall publish a report for distribution to the governor, legislature, and
8 the public. The authority shall notify the legislature that the report is available. The
9 report shall be written in easily understandable language. The report must include a
10 financial statement audited by an independent outside auditor, a statement of the
11 authority's investments under this chapter, including an appraisal of the investments at
12 market value, a comparison of the authority's performance with the goals of the
13 authority, and other information the members of the authority believe would be of
14 interest to the governor, the legislature, and the public. The annual income statement and
15 balance sheet of the authority shall be published in at least one newspaper circulating in
16 each judicial district. The authority may also publish other reports it considers desirable
17 to carry out its purposes.

18 ARTICLE 5. GENERAL PROVISIONS.

19 Sec. 30.17.900. DEFINITIONS. In this chapter,

- 20 (1) "authority" means the Adak Reuse Authority created by this chapter;
21 (2) "bonds" means bonds or other obligations issued under this chapter;
22 (3) "business enterprise" means a single proprietorship, cooperative,
23 corporation, firm, partnership, or other association of persons organized in any manner,
24 for any credit worthy business purpose;
25 (4) "facility" means real property, whether above or below mean high
26 water, or an interest in it, and the buildings, improvements, and structures constructed
27 or to be constructed on or in it, and may include fixtures, machinery, and equipment on
28 it or in it, and tangible personal property, regardless of whether the tangible personal
29 property is attached to or connected with real property, if the owner has agreed not to
30 remove the tangible personal property permanently from the state for the period the
31 authority sets; "facility" does not include work in process or stock in trade;
32 (5) "federal agency" means the United States and any officer, department,

1 agency or instrumentality of the United States;

2 (6) "lease" includes, when used as a noun, an interest in, or when used
3 as a verb, the transfer of an interest in, property less than fee simple title, including,
4 when used as a noun, agreements to use or occupy property;

5 (7) "person" includes a corporation, company, partnership, firm,
6 association, organization, business trust, society, state or agency or subdivision of the
7 state, municipality of the state, a resource development authority, as well as a natural
8 person;

9 (8) "project" means

10 (A) a facility used or intended for use in connection with making,
11 processing, preparing, transporting, or producing goods, products, or substances
12 of any kind or nature or in connection with developing or using a natural
13 resource, or extracting, smelting, transporting, converting, assembling, or
14 producing minerals, raw materials, chemicals, compounds, alloys, fibers,
15 commodities and materials, products, or substances of any kind or nature;

16 (B) a facility used or intended for use in connection with a
17 business enterprise;

18 (C) commercial activity by a small enterprise;

19 (D) a facility demonstrating technological advances of new
20 methods and procedures and prototype commercial applications for the
21 exploration, development, production, transportation, conversion, and use of
22 energy resources;

23 (E) infrastructure for a new tourism destination facility or for the
24 expansion of a tourism destination facility;

25 (F) a facility, other than a facility described in (D) of this
26 paragraph, for the generation, transmission, development, transportation,
27 conversion, or use of energy resources;

28 (9) "project applicant" means a business enterprise or enterprises
29 proposing to

30 (A) use or occupy a project; or

31 (B) agree to permit others to use or occupy a project;

32 (10) "real property" means land and rights and interests in land, including

1 interests less than full title such as easements, uses, leases, and licenses.

2 * Sec. 2. AS 39.25.110(11) is amended to read:

3 (11) the officers and employees of the following boards, commissions,
4 and authorities:

5 (A) [REPEALED

6 (B)] Alaska Permanent Fund Corporation;

7 (B) [(C)] Alaska Industrial Development and Export Authority;

8 (C) [(D)] Alaska Commercial Fisheries Entry Commission;

9 (D) [(E)] Alaska Commission on Postsecondary Education;

10 (E) [(F)] Alaska Aerospace Development Corporation;

11 (F) Adak Reuse Authority;

12 * Sec. 3. INITIAL TERMS. Notwithstanding AS 30.17.020, enacted in sec. 1 of this Act,
13 the initial term of one member appointed under (a)(2) of that section, and the initial terms of two
14 members appointed under (a)(3) of that section, shall be one year.

POTENTIAL ADAK TENANTS (FEDERAL AGENCIES)

R.J. CLARK
CNAP N462
619-545-2839
12 FEB 96

SUBJECT:

- POTENTIAL DOD/FEDERAL AGENCY UTILIZATION OF COMMERCIAL FACILITIES AFTER NAF ADAK OPERATIONAL CLOSURE.

BACKGROUND:

- NAF ADAK IS SCHEDULED TO CEASE OPERATION JAN 1998.
- CNAP REQUESTED CINCPACFLT N46 SOLICIT INPUTS FROM VARIOUS DOD AND FEDERAL AGENCIES TO DETERMINE INTEREST LEVEL IN UTILIZATION OF COMMERCIAL SERVICES AT NAF ADAK AFTER OPERATIONAL CLOSURE.

DISCUSSION:

- THE FOLLOWING DOD/FEDERAL AGENCIES HAVE EXPRESSED INTEREST IN UTILIZATION OF COMMERCIAL FACILITIES AND SERVICES AFTER NAF ADAK OPERATIONAL CLOSURE:

ACTIVITY	TYPE SERVICES
COMPAWINGSPAC	TRANSIENT AIRCRAFT REFUELING 4-6 PLANE 7-10 DAY QUARTERLY DETACHMENT OPERATIONS
UNITED STATES COAST GUARD	AIRCRAFT/SURFACE VESSEL REFUELING CARGO PIER SERVICE SAR DETACHMENT SERVICES
ARMY CORPS OF ENGINEERS	AIRFIELD OPERATIONS/SUPPORT AIRFIELD/SUPPORT SERVICES TEMP HOTEL SERVICES WAREHOUSE FACILITIES BASE CAMP PORT SERVICES COMMUNICATION SUPPORT CONTRACTING SUPPORT (MEN AND EQUIPMENT)
COMUNDERSEASURV	INFRASTRUCTURE SUPPORT FOR EXISTING RUSS FACILITY HOTEL SERVICES (MESSING/BERTHING ETC) AIRFIELD SERVICES SUPPLY SUPPORT
COMNAVCOMTELCOM	INFRASTRUCTURE SUPPORT SUPPLY SUPPORT HOTEL SERVICES (MESSING/BERTHING ETC) MEDICAL SERVICES SNOW REMOVAL/PROPERTY MAINTENANCE SUPPLY SUPPORT
GENERAL DOD INTEREST	CONTRACT SUPPLY SUPPORT CONTRACT PERSONNEL SUPPORT
US FISH AND WILDLIFE	REQUIREMENTS TO BE DETERMINED TO SUPPORT EXISTING FACILITY IF REQUIRED

FEDERAL AVIATION AGENCY

REQUIREMENTS TO BE DETERMINED
SUPPORT WILL GENERALLY SURROUND THE
MAINTENANCE OF NAVIGATIONAL AIDS

- ADDITIONAL INPUTS ARE PENDING FROM A VARIETY OF DOD/FEDERAL AGENCIES
- CURRENT DOD/FEDERAL USE INTERESTS SURROUND COMMERCIAL CONTRACT SERVICES ON A COST REIMBURSABLE BASIS
- IF A COMMERCIAL ENTITY TAKES OVER OPERATION OF THE EXISTING FUEL FACILITY AND THE MILITARY SERVICES (INCLUDING USCG) ESTABLISH THEIR REQUIREMENTS, THE DEFENSE FUEL SUPPLY CENTER (DFSC) WOULD CONSIDER ESTABLISHING AN INTO PLANE CONTRACT FOR AIRCRAFT REFUELING REQUIREMENTS AND/OR A BUNKERING CONTRACT FOR SHIP'S REFUELING REQUIREMENTS.
- ADDITIONALLY COMMERCIAL AIR CARRIERS AND MANUFACTURES HAVE REQUESTED INFORMATION ON THE STATUS OF NAF ADAK AS WELL AS OTHER MID PACIFIC ISLANDS.
- PRIVATE COMMERCIAL FISHERY OPERATIONS (THOSE THAT PROVIDE MAINTENANCE) HAVE REQUESTED INFORMATION ON THE CAPABILITIES OF NAF ADAK MACHINERY REPAIR FACILITY

RECOMMENDATION:

- NONE. PROVIDED AS NON BINDING INFORMATION ONLY.

MARK F. MATTHEW, OFFICIAL CHAIRMAN

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JAMES H. ENGLISH, MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS

WASHINGTON, DC 20510-6025

March 14, 1996

The Honorable Tony Knowles
Governor
State of Alaska
P.O. Box 110001
Juneau, Alaska 99811-0001

Dear Tony:

It has now been nearly a month since the productive, all-party Adak Summit that I co-hosted with the Navy in Anchorage. The State has sought to play a constructive and aggressive role in promoting the reuse of the Adak Naval Air Facility, scheduled for closure next year. The Adak Reuse Planning Committee has been instrumental in addressing many of the major issues associated with the closure of Adak and its potential for economic redevelopment.

In order to move forward on economic redevelopment of the base, I believe it is essential that the State have the necessary legal authorities to effectively chart the future of Adak. This cannot rest in the Federal Government's hands--it must be decided by Alaskans.

Legislative action by the Congress will be required in order to effect any land transfer for Adak. Any entity which could receive title to the land, must have the authority to deal with the Navy, federal and state agencies as well as the private sector to facilitate the closure, redevelopment and to oversee the environmental clean-up of the Navy's base.

A vital aspect of determining the future of Adak, will be building a complete partnership with the Alaskan Native community, especially the Aleut people, to use as the platform and authority for determining future reuse for the facilities of Adak.

So that we have a chance to have legislation enacted this year for Adak, we must come to closure on these issues. The

House Bill 466, authored by Carl Moses, may serve as the vehicle for this initiative to move forward and enable us to play our appropriate roles. I am prepared to do my part in assisting this effort--to ensure that this opportunity for the future of Adak is not lost for Alaskans.

With best wishes,

Cordially,

A handwritten signature in black ink, appearing to be 'Ted Stevens', written in a cursive style.

TED STEVENS

MULDER
PARNELL
KELLY
TERRIAULT
MARTIN
KOHRING
BROWN
GRUSSEN.
NAVARRE

COMMITTEE PRESENTATION

House Bill 466

Adak Reuse Authority

HOUSE BILL 466 WOULD ESTABLISH AN ADAK REUSE AUTHORITY

TO SERVE AS THE FACILITATING BODY FOR CONVERSION OF THE NAVAL AIR BASE TO PREDOMINANTLY CIVILIAN USE. THERE BEING NO LOCAL GOVERNMENT ON ADAK ISLAND, THIS AUTHORITY IS NEEDED TO PERFORM ADMINISTRATIVE FUNCTIONS RELATIVE TO A REUSE PLAN, AND NEEDS TO BE ACTIVE CONCURRENT WITH THE NAVY'S WITHDRAWAL FROM THE ISLAND. THE STATED OBJECTIVE OF THE NAVY IS TO VACATE THE ADAK SITE EARLIER THAN THEIR JANUARY, 1998 DEADLINE. THERE IS NO DOUBT THEY WILL ACHIEVE THAT GOAL.

A SEVEN-MEMBER AUTHORITY, APPOINTED BY THE GOVERNOR, IS CALLED FOR IN SECTION 1 OF THE BILL, AND ITS DUTIES WOULD BE TO DEVELOP AND IMPLEMENT A COMPREHENSIVE REUSE PLAN. THIS AUTHORITY WOULD BE EMPOWERED TO ENTER INTO CONTRACTS, OPERATE ENTERPRISES, RECEIVE GRANTS, ASSETS, AND OTHER FUNDS, DISBURSE FUNDS, DISTRIBUTE ASSETS, AND ISSUE REVENUE BONDS. AN ENTERPRISE DEVELOPMENT ACCOUNT WOULD ALSO BE ESTABLISHED.

IN LINE WITH BASE CLOSURE PROCEDURES NATIONWIDE, THE DEPARTMENT OF DEFENSE MAKES SOME FUNDING AVAILABLE FOR THE ECONOMIC REDEVELOPMENT OF AREAS IMPACTED, AND WORKS IN CONCERT WITH LOCAL GOVERNMENTS. AS I MENTIONED BEFORE, THERE IS NO LOCAL GOVERNING BODY AT ADAK. THE CREATION OF AN ADAK REUSE AUTHORITY WILL ENSURE THAT THE ECONOMIC POTENTIAL OF ADAK WILL GET A FAIR SHOT AT REDEVELOPMENT.

I URGE YOUR FAVORABLE REVIEW OF HOUSE BILL 466. THE POTENTIAL FOR A MODEL FISHING COMMUNITY AT ADAK IS OBVIOUS. COMMUNITIES AND MUNICIPALITIES IN THE REGION ARE SUPPORTIVE. IN ADDITION, FEDERAL AGENCIES WHICH INCLUDE FISH & WILDLIFE, THE NAVY, THE CORPS OF ENGINEERS, AND THE COAST GUARD, ALL WISH TO MAINTAIN A PRESENCE ON THE ISLAND. THE AIR FIELD IS WORLD CLASS. THERE ARE TWO DEEP-WATER PORT FACILITIES, AND A MODERN TANK FARM. IN ALL, THERE ARE APPROXIMATELY \$2.3 BILLION IN FIXED AND ROLLING ASSETS CURRENTLY ON THE ISLAND. OUR VISION IS TO RESPONSIBLY WORK TOWARD ITS CONVERSION TO ECONOMIC VITALITY.

I APPRECIATE THE COMMITTEE'S TIME, AND WILL BE PLEASED TO ANSWER ANY QUESTIONS.

CEM/tb/presentation.466

H. FIN.
2-27-96

GENERIC CHECKLIST FOR
ORGANIZING FOR
MILITARY BASE ECONOMIC DEVELOPMENT REUSE

by

Owen W. Bludau

Executive Director

Vint Hill Economic Adjustment Task Force

26B John Marshall Street

Warrenton, VA 22186

703-347-6965

There are two phases involved in the local process of using a closing military base for economic development purposes: (1) organizing for the development of a reuse plan (the "planning phase"), and (2) organizing for implementation of the reuse plan (the LRA [local redevelopment authority] phase). The individual steps involved in each phase may be tailored to meet local needs, precedence, and existing organizational structures. These generic steps, however, should all *be considered* within the framework most acceptable to local political, staffing, and organizational conditions.

I. ORGANIZING FOR THE DEVELOPMENT OF A REUSE PLAN

Planning for site reuse is the community's first major effort in base redevelopment. This planning phase requires an organization to oversee its accomplishment. This organization may take a number of forms. It may be a special purpose committee or Task Force created by the jurisdiction(s) surrounding the base; it may be a jurisdictional department—such as a local planning department; or it may be a special authority created for that purpose. This initial planning phase organization is often not a "legal" entity which can own and transfer property.

The planning phase organization is usually transformed later-during the plan implementation phase-into a legal entity which can receive, own and transfer property title.

The Office of Economic Adjustment (OEA) of the Department of Defense will recognize a "non-legal" entity--such as a special purpose committee or Task Force--as the "Local Redevelopment Authority" or "LRA" during the planning phase for purposes of receiving planning and organizational grants. However, that OEA recognition does not give an informal organization the legal authority to own or transfer land title. A legally recognized authority or organization created in conformance with applicable state law will be necessary during the implementation phase, if it is to receive, own or transfer title to former military property. For purposes of this generic outline, the name "Reuse Planning Committee" or "RPC" will be used for this first or planning phase organization.

A. The Reuse Planning Committee

- Determine the constituent jurisdictions to be included in the Reuse Planning Committee (RPC). Each local government surrounding the base should be a member of the RPC.
- Determine the number of representatives to be included as voting members of the RPC. Typical committees have ranged from 9-15 members, however, some committees have had as many as 45 (Charleston, SC) and 57 (Vallejo, CA). Organizational control, an achievable majority for purposes of conducting business, available meeting space, and projected committees should be considerations in determining an appropriate size. RPC membership should strive for a good cross-section of the community, including representatives of business, housing or real estate and impacted segments.
- It will pay dividends to include as voting members of the RPC some local elected officials and the base's state and congressional representatives and to encourage regular participation by them or their assigned aides.
- New legislation encourages committee membership by representatives of local homeless providers, local Native American tribes, and other community segments who may benefit from use of base facilities to meet community needs (educational institutions, etc.).

- Appointment of the RPC Chairperson. This appointment should be by the local governing authority, if only one jurisdiction is involved, or by agreement of all local jurisdictions involved. *This is probably the most critical step in the organizational process.* The Chairperson should be one who commands community respect, can control RPC and public meetings, will commit the time necessary, can see opportunity coming from adversity, and is committed to achieving a good reuse planning product.
- Experience has shown that using a consultant to head the RPC has not generally provided as good leadership as has been provided by a local appointee.
- The resolution(s) creating the RPC should give general objectives which the local jurisdiction(s) want the RPC to achieve through the reuse planning process; for example, to create jobs, increase the tax base, create commercial aviation opportunities, etc.
- The RPC should meet and establish a subcommittee(s) to create a set of bylaws which identifies offices, organizational structure and operating procedures.
- The RPC should develop its own Vision Statement, goals or mission statement to guide its actions in achieving the objectives established by the appointing authority(ies). *This is an important step and one which provides a continuous focus for RPC and consultant actions.* This process requires time, preparation and committee concurrence. It may best be achieved at a RPC retreat and through the use of a good facilitator.
- The Office of Economic Adjustment (OEA) Project Manager should be a non-voting member of the RPC to provide coordination and guidance.
- The cooperation of the Base Commander with the RPC is essential in obtaining a smooth transition. The Base Commander *should not* be included as a voting member of the RPC to avoid the potential for conflicting interests. He/she may be a non-voting member. He/she or a representative should be invited to every meeting to foster cooperative dialogue. All efforts should be taken to keep the Base Commander informed, either officially or unofficially, regarding RPC actions, questions, issues, or problems which will eventually involve the Base Commander, his/her higher commands or base population.
- The Base Transition Coordinator (BTC) serves as an ombudsman between the community and the military for the purpose of improving the transition process through

identification and resolution of problems within the process. The BTC should serve as a non-voting member of the RPC.

- As the RPC functions, it will become necessary to create committees to develop reuse guidance on specific issues. Committees provide a good means of expanding community outreach by including non-RPC members, especially persons with relevant skills and knowledge. Typical committees may include: housing, personal property, aviation, scheduling and timelines, port facilities, education, transportation, social and human services, historic preservation, environmental restoration, utilities, etc.
- One of the most important tasks that a PRC committee can perform is to *establish, regularly monitor and update a detailed timeline of all local actions involved in the transition process*. Major military action timelines should also be included. This process is critical to insure that community goals and military actions are coordinated, and it not that disconnects are identified and actions undertaken to bring them into coordination.
- RPC meetings should be open to the public and the press. Press coverage informs the public of reuse planning activities. It encourages greater participation and helps build reuse plan consensus.

B. Staffing the RPC

- There are staff requirements for supporting an RPC. The support may initially be provided by committee members, by local jurisdictions, or staff services may be retained from a regional Planning District Commission or a consultant firm. The staffing requirements will soon become such that a full-time staff is needed to carry out the work of the RPC. Initial staffing plans should consider future needs and not "lock" the RPC into a commitment which will hinder future committee needs or independence.
- The RPC should look to their OEA Project Manager for grant funding to hire staff, retain consultants, and establish a staff office, as needed. (Funding is provided on a 75/25% ratio, with the local government providing the 25% match in either cash or in-kind

services. Localities should seek state assistance in providing the local share requirement. (In Virginia, the Department of Economic Development may fund half of the local share.)

- The RPC should establish a committee to select the Executive Director. Examples of advertisements and job descriptions for Executive Directors can be obtained from the National Association for Installation Developers (703-836-7973).
- An initial staff may consist of an Executive Director and an Administrative Assistant. As more committees are established which need staff support, as the reuse planning process involves more agencies requiring coordination, and as consultants are retained to conduct the reuse planning studies, additional staff support may become necessary.
- The staff should be fully devoted to assisting the PRC accomplish the reuse planning task. Experience has shown that full-time staffs are needed because of the complexity and coordination needed during the reuse planning and implementation processes.

C. Obtaining Reuse Planning Consultants

- Consultants are usually retained to develop the reuse plan for an RPC, because its technical scope usually exceeds the capabilities of a small RPC staff. The RPC should establish a committee to select a consultant firm.
- The Consultant Selection Subcommittee should identify a preliminary Scope-of-Work, the technical qualifications and support services which will provide the types of information wanted by the community in developing a reuse plan.
- The RPC can use the methods allowed under local or state procurement law to obtain a consultant. Two typical methods are:
 - (1) a Request for Qualifications (RFQ) process to identify and screen capable firms. In this process, a list of expected skills and a preliminary Scope-of-Work is advertised. Firms submit their qualifications and relevant experiences. The firms are evaluated and the most qualified are interviewed. After a selection is made, the final Scope-of-Work and cost are negotiated.
 - (2) a Request for Proposals (RFP) process to receive and evaluate the methods and scope of services offered by the consultant firms to accomplish the reuse plan. The end

product is advertised. Firms are invited to submit their proposals for how they will accomplish the end product and what expertise they will use in the process. Again, the proposals and expertise offered are evaluated, firms with the best proposals interviewed, and a firm selected. The final Scope-of-Work and cost should be negotiated after selection of the firm.

- Examples of advertisements for reuse planning services, scopes-of-services, and a list of member consultant firms performing base reuse studies can be obtained from the National Association of Installation Developers (703-836-7973).
- A Consultant Selection Subcommittee may be used to evaluate responses from consultant firms and to interview those determined to be the most qualified. It is important to have an impartial evaluation process and selection process. The processes should be well documented to defend against any challenge by a firm which was not selected.
- The estimated cost of consultant services should be projected in advance in consultation with the OEA Project Manager and the estimated amount included in the RPC's grant request.
- After selection of a consultant, the Scope-of-Services should be completed. The Scope forms the basis for determining the cost of the consultant services. The Scope-of-Services should form an attachment to the contract for services or be incorporated into the consultant's contract.
- The RPC staff should also coordinate the Scope-of-Services with the Base Transition Coordinator to allow base personnel to identify the most efficient way of working with the reuse planning consultant to provide copies of existing studies, data, maps, and reports and to allow access for interviews, building and utility investigations, physical surveys, and other needed but time consuming demands on base personnel and their time.
- The PRC should meet regularly during the reuse planning process to provide direction for the consultants in preparing the reuse plan. It also provides guidance and direction to the staff in undertaking the daily activities involved in coordination, planning, advance marketing, public relations, and financial planning for the base transition.

- Upon completion of the reuse plan, it is usually submitted to the local governing body(ies) for adoption and incorporation into the local comprehensive plan and provides the basis for zoning the base.

II. ORGANIZING FOR IMPLEMENTATION OF THE REUSE PLAN

A. Organizing for Infrastructure Transfers

- It is important that RPC committees include some representatives of existing organizations or authorities (water, sewer, electric) who may be expected to take over military-owned utilities when the base closes.
- Local infrastructure providers, public and/or commercial, should be kept informed of the upcoming opportunities to take over these systems and should be given the opportunity to inspect the systems and to determine the improvements necessary to bring them up to the company's or the state's standards.
- Each of the facilities to be turned over should have a timeline established which indicates when turnover action should begin in order to achieve the planned reuse functions at the time needed. These timelines should be reviewed regularly.
- It is especially important to identify the most critical utility transfers necessary for reuse. The RPC can then work backward—from when the utilities will need to be in public/commercial operator hands—to when the necessary steps should be taken to accomplish the transfers. It is important that utility operating permits do not lapse during the period of base closure and transition.
- The RPC should identify and check on the retention of items such as locally assigned radio frequencies, air emissions permits, incineration permits, etc. which may have reuse or income generation applications.

B. Processing the Reuse Plan

- When the reuse plan is completed, the plan should be processed through the local Planning Commission and governing body for adoption. The reuse plan should form the pattern for zoning the former base and for updating the Comprehensive Plan to cover the proposed reuse of the base area.
- Upon adoption of the reuse plan by the local governing body, the plan should be submitted to the appropriate military branch for approval.
- The reuse plan should be completed in time to become the "preferred action" for the base closure environmental impact statement (EIS). If the reuse plan is not completed in time to be included in the EIS, the military will develop a "preferred action" alternative for evaluation, and it may not be an acceptable one to the community.

C. Personal Property Inventory

- The amount of personal property potentially available to a community from a closing base requires a lot of time to examine and review for retention and reuse potential. Property book lists should be scanned for items marked as surplus. Walk through inspections, possibly supported with videotaping, will enable a Personal Property Committee to evaluate the types and conditions of equipment available. The videotape allows review of items at greater leisure when making specific selections. Plan on an extended process and schedule walks-through in increments.
- Items marked initially as "mission essential" by the military and planned for removal may change rating as the closure progresses. Inspect items marked as "mission essential" and indicate those desired for reuse. The community may be able to make a case for replacement items to be substituted or may be able to successfully appeal the need for the military to move the items.
- Be selective in requesting personal property for retention. If it is not needed later, the community may find there is a high cost for storage or disposal. However, do not hesitate to ask for items to be retained until after the reuse plan is completed. The

community can always change its mind prior to the actual base closure. The military will still be responsible for disposal of the items until it leaves.

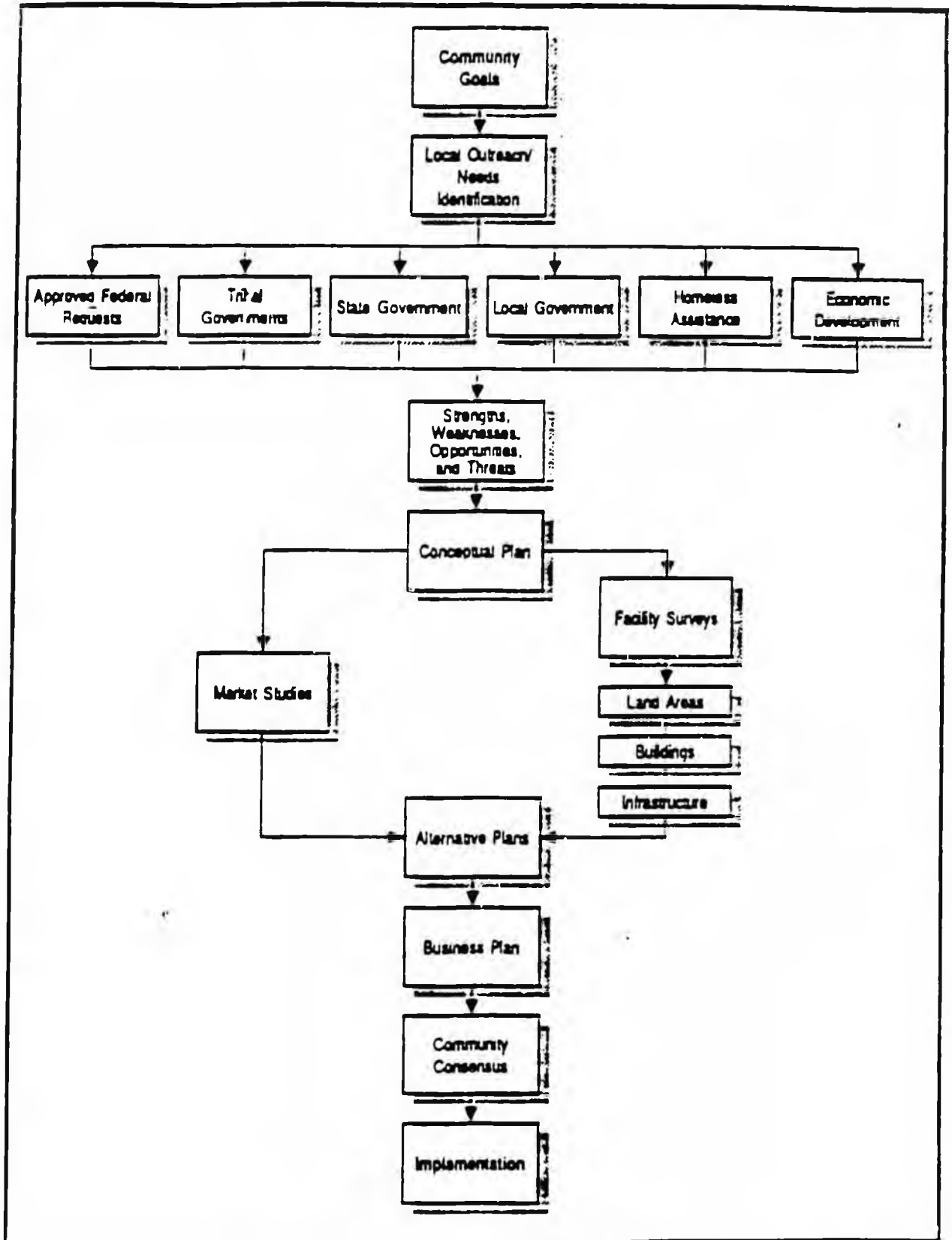
D. The Local Redevelopment Authority (LRA)

- Section 91.7 (e) (4) of the revised BRAC regulations of October 26, 1994 states "*A Local Redevelopment Authority (LRA) is the only entity able to receive property under an Economic Development Conveyance.*" The RPC should begin early to consider the transfer of responsibilities to an authority structure recognized under applicable state law to perform the types of services anticipated for base reuse. The structure may be necessary early if interim leases or early transfers of environmentally clean parcels are sought for purposes of recruiting early reuses before the military is gone from the base.
- When a local redevelopment authority (LRA) structure is selected and established, seek to have members of the RPC appointed to the LRA board to insure a smooth transition from the reuse planning to the implementing structure.
- Evaluate the advantages and disadvantages of shifting the RPC staff to the payroll of the LRA to provide the full-time attention needed to implement the reuse plan.
- The LRA should begin investigating implementation funding from various sources—such as the Economic Development Administration, Defense Conversion Programs, the state's Department of Economic Development, etc.
- If access improvements are needed to make the site competitively marketable, the state departments governing highways, airports, rail, ports and public transit should be invited into discussions on ways of achieving these improvements.
- Have the staff attend all the Base Cleanup Team and Restoration Advisory Board (RAB) meetings to provide the reuse planning coordination needed with these efforts.
- Begin early to identify the property transfer process by requesting a "master lease" agreement or early transfer of environmentally clean parcels or buildings which can be used to attract jobs or provide redevelopment income prior to the military's departure from the base.

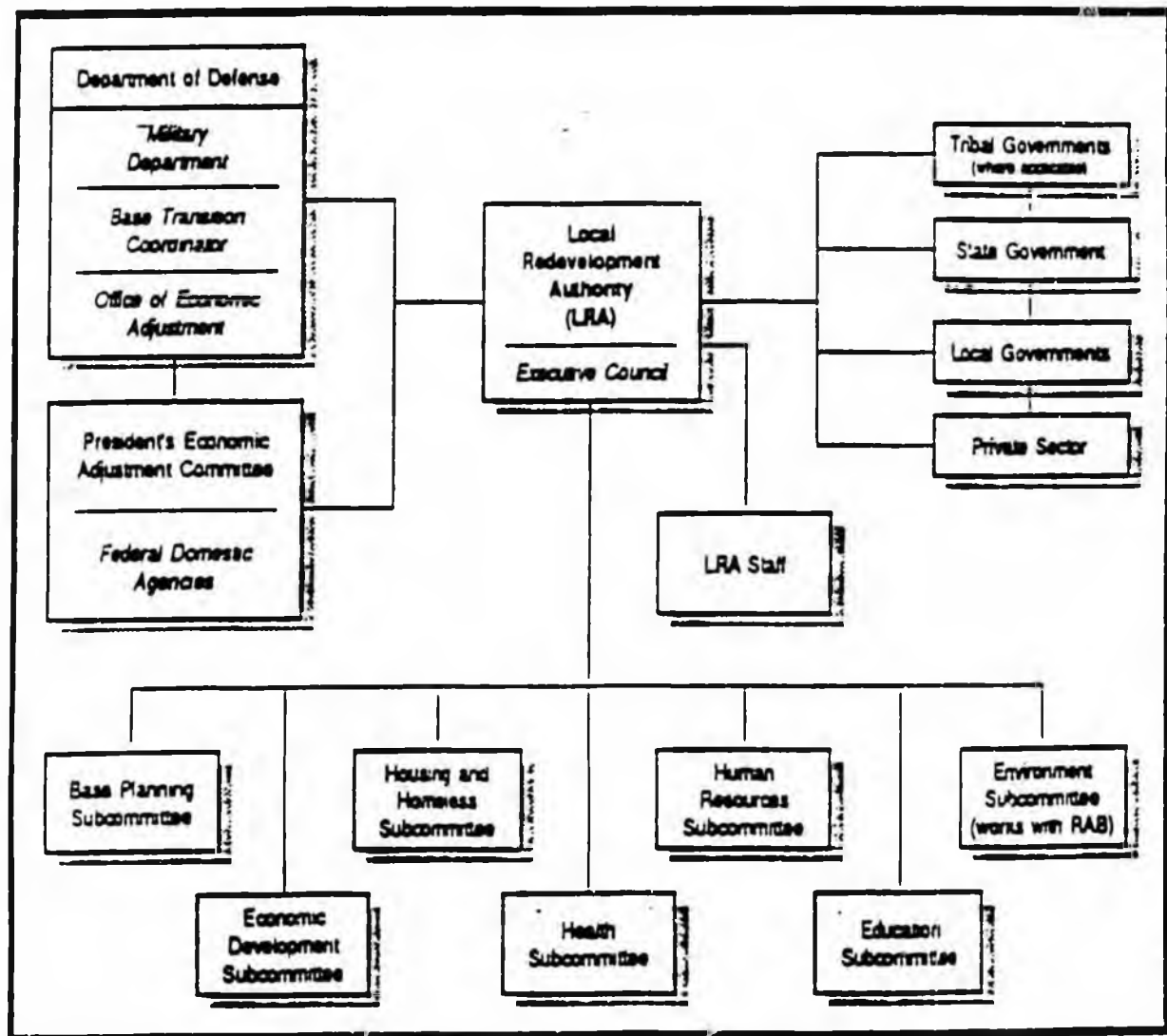
E. Develop and Implement a Marketing Plan

- After the reuse plan is adopted, develop a plan for marketing the site to attract the desired types of activities. Use existing marketing structures—such as the state Department of Economic Development, private sector marketing agencies, and the Chamber of Commerce—to help in this effort.
- Prepare appropriate marketing materials and distribute them selectively.
- Garner as much multi-media publicity as possible to keep the site in people's minds.
- Plan for interim uses to provide temporary jobs until the long-term employers can be recruited to the site. Interim uses may also provide an income stream to help with site maintenance and operations costs.

Reuse Planning Process Flow Chart



LOCAL REDEVELOPMENT AUTHORITY Organizational Structure





February 10, 1996

Mr. Lamar Cotten
Deputy Commissioner
State of Alaska
Department of Community and Regional Affairs
Juneau, Alaska

By Fax

Dear Lamar:

I thought I'd take a moment and see if the interests of the Aleut people and the interests of DCRA are together or apart when it comes to re-use concepts for NAS Adak. To be honest we have felt that the state's approach towards the Adak reuse project sought to exclude, or at least minimize, the interests of the Aleut communities and the Aleut people on the LPC and the Local Redevelopment Authority. We certainly could have mis-read your intentions, so I thought I'd write. Also, with Sen. Stevens coming to discuss the reuse of Adak later in the month, I thought it important to see if the state and the Aleut people could speak with one voice at that time.

I have outlined some of our interests in the following paragraphs. I have not included the real heart issues of the Aleut people regarding our belief that Adak is Aleut land, or their forced eviction from Adak their past abuses at the hands of the US Military (internment) or their intense desire to protect historic village sites, middens and sacred places. It would be beneficial to see what your opinion is on other types of issues so that if we have different points of view we could start crafting solutions which meet both our interests.

1. We have a grave concern that the Navy is trying to run, not walk, from their clean up obligations on Adak. We seek your support in trying to slow down the freight train leaving the station at least until the active minefields are cleaned and the unexploded ordinance and hazardous sites are addressed. If the Navy takes the time necessary to properly clean Adak prior to its departure then we all have more time to find an appropriate economic base for the island while the infrastructure is still being operated.

2. We desire to see an open, private sector based, economy established on Adak as soon as possible.

3. We want to immediately open the possibility of leasing raw land or facilities to anyone with a good business idea who has a desire to use Adak facilities. We suggest the use of a standing Request for Proposals mechanism with quarterly evaluation by the advisory committee and the LRA.

4. We invite all communities and groups in the region to become involved with the planning of a re-used NAS Adak. However, we stop short of requiring consensus in order to act; especially if opposition is from groups with a marginal role to play, or those who have a commercial or philosophical reason to see Adak reuse fail. We will operate on the basis of having the Aleut people as a team player with other affected publics in the region unless it becomes clear that our tribes are being hurt by minimal-interest, or adversarial groups.

5. We understand the need to establish a city to operate public facilities on Adak, however we encourage DCRA to not make the establishment of local government the first order of business. To the contrary, we believe that if approximately 300 full time, year round, direct (as opposed to indirect or induced), jobs can't be generated after an aggressive, professional, marketing effort (or a federal endowment sufficient to operate basic infrastructure can't be secured), then our concepts of reusing Adak facilities must be revisited. Our review shows that without an adequate private sector base, the cost of turning on and maintaining transportation, social and utility infrastructure becomes problematic after public subsidies run out. We also suggest that the best way to establish a community on Adak would involve the normal transfer of native land to a community under the ANSCA 14 (c) 3 provisions. These have worked quite well throughout the state.

6. We believe that it is in everyone's best interest to have the 12 tribal governments, who comprise the United Aleut Nation, act as the Adak Redevelopment Authority. We don't take this position for the sake of preserving, exerting or extending our influence. We suggest it is proper because our people really do have the most to lose if funds are squandered, or if delays hurt Adak reuse potential. No other group has as direct a claim towards regional representation as do the Aleut people. Additionally, we are also much more efficient in executing leases than a government authority. The Aleut people could get Adak to the point of economic self sufficiency sooner than if the land stayed under the mechanism of a state chartered authority. If you feel that a new entity is required, then we would request that Aleut people be a majority of the board. Again this is proper and best serves the goals of a local redevelopment authority.

7. Although we recognize the need to not turn our backs on any possibilities for development, we would like to put a special marketing emphasis on non-fisheries related ventures. We have no desire to establish a competitive base to existing commercial investment in the region. Dividing up a shrinking pie is not our desire for a reused Adak. That being said however, we're sure there will be some fisheries involvement at a reconditioned Adak.

8. Our main concern regards outreach marketing. Attracting enough of the right type of businesses (those businesses which make economic sense to have at such a remote site) to Adak is considered by some industrial relocation specialists we've talked to as one of the most challenging siting efforts ever undertaken- anywhere. We strongly believe that to find enough jobs to turn on (and keep on) the infrastructure, aggressive, professional and sustainable marketing must be undertaken immediately. It is readily apparent that sufficient economic activity does not currently exist - just waiting to come in - to justify operating the infrastructure after the Navy departs. However, we do think, that with a good marketing program we could entice the 50 or 60 companies around the world with a potential legitimate interest in the distinctive attributes of Adak, to look it over and, with good follow-up and problem solving, get one or two "possibles" who will actually submit a development proposal to the LRA. Making Adak work economically will be hard work, but it is possible if we market and solve problems as a team.

The following is our proposed outline for a new direction for the Preliminary Reuse Plan for Adak. It directs available resources to the greatest problem area - attracting a private sector economic base to the island. What do you think about agreeing to use the following as a model for the reuse effort?

Preliminary Reuse Plan:

Phase I - 1996 - Immediately seek to implement:

1. Use funds to professionally develop marketing tools and ramp up an international marketing and business attraction effort. The goal is to seek and obtain development proposals from international and domestic companies for LRA evaluation
2. Maintain key buildings and infrastructure which can be assumed to be a part of the future reuse of the island
3. Proceed with environmental clean-up of contaminated sites on the facility
4. Determine status of key infrastructure, and costs of operating Adak as a community - in three scenarios: 1. caretaker status - maintaining infrastructure until users can be found, 2. steady state city - the cost of operating Adak as a city whether a private sector economy exists or not, and 3. determination of the number of full time private sector jobs needed to economically justify the provision of transportation, social and utility infrastructure.

Phase II - Concurrent with Phase I (and beyond):

1. Transfer the land base on Adak to The Aleut Corporation (in return for\ outstanding ANSCA entitlements which are now disbursed throughout the

region); so that when, and if, approved projects are found -of sufficient size to warrant development - that leases could immediately be offered. As you know, without this transfer there is a long term and serious federal Department of Interior cloud over reusing any land on Adak - for any reason. We feel it vital to take the power to control the success of Adak reuse efforts away from the ever-changing political world of federal administrations. We have seen the definition of "appropriate" development change too often after special interest groups work their magic on federal administrations. We hope that the logic of transferring the land to the Aleut people to fulfill our entitlement and to expedite approved reuse projects, will be understood and endorsed by the state

2. We suggest that holding off on creating a final reuse plan until a sufficient quantity of private sector participants can be found to justify turning on and maintaining essential infrastructure. Through the proposal evaluation process, the LRA could decide if the proposals, that are possible to obtain for Adak reuse, are the types of industries which should be allowed to reuse Adak facilities. The final reuse plan would then be in a position to custom-tailor the plan, and the EIS, around the needs of an "anchor tenant" and/or "a shopping cart" of smaller entities, who, in combination, supply a threshold amount of jobs for the island. At the least, the plan would be more useful to the public since it would address real development proposals rather than development possibilities
3. Continue Phase I activities
4. Establish and transfer real and personal Navy facilities to the United Aleut Nation. The UAN, with advice from the LRC would act as the Adak Redevelopment Authority
5. Jointly (and aggressively) seek economic development incentives from the United States Government as a part of the reuse effort. Also seek limited regulatory rollbacks on some items which don't make sense to impose on Adak, i.e. some aspects of clean air legislation for example, or permit approvals for dock repairs stipulated in federal law, or Foreign Trade Zone status on all or a portion of the island as a part of the reuse package. We should jointly discuss a federal endowment for on-going clean-up (the interest from which may be used to offset the cost of city infrastructure operation in the early years), or other federal regulatory changes of importance to Adak such as a "Jones Act" exemption to allow lower cost resupply by American President Lines or others who operate foreign ships in the Aleutians. Also, the ability to modify immigration rules to allow a higher percentage of foreign technicians to be used on Adak if required for an economic base.

The number of +100 job projects introduced into the state in a year is minimal; yet for Adak to work (and not just be a drain on public resources) we will have to come up with 3 or 4 of these projects within the next couple of years. Our people are prepared to show

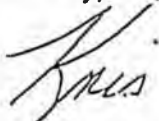
the regional leadership required to successfully involve all affected publics in finding and securing those projects. Accordingly we think you should let us.

The above is written to try to get our relationship back on track before our meeting with Sen. Stevens. We have a real sense of urgency about Adak reuse based upon the Navy's abandonment of key assets in 1995, their plans to leave the island by January 98 and our belief that opportunities to successfully attract companies to the island diminish as time takes its toll on the facilities.

I would like to talk to you further about strengthening the initial focus on marketing, supporting the land transfer, providing the Aleut people with a majority representation on the LPC, and of establishing either the United Aleut Nation as the Local Redevelopment Authority, or providing our people with a majority on a new redevelopment authority board.

Please let me know your candid thoughts after you've had a chance to review the above paragraphs. Let's talk further.

Sincerely,



Kris W. Lethin
Chief Executive Officer
The Aleut Corporation

cc: Representative Carl Moses
The Aleut Corporation, Board of Directors

2/15/96

Finance

HOUSE COMMITTEE REPORT

(7) Date Referred to Committee: February 2, 1996

FURTHER REFERRALS:

Date of Committee Action: 02-14-96

The HOUSE SPECIAL COMMITTEE ON MILITARY AND VETERANS' AFFAIRS Committee considered: HB 466

HOUSE BILL NO. 466 ADAK REUSE AUTHORITY

"An Act establishing the Adak Reuse Authority."

recommends it be replaced with the following committee substitute [] the same title [] a new title

[] additional referral to _____ Committee [] attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date) [] fiscal note(s) [] fiscal note(s)

[X] zero fiscal note(s) DMVA [] zero fiscal note(s)

Table with columns: SIGNING WITH RECOMMENDATIONS, DP, DNP, NR, AM. Rows include signatures and names: WILLIS, MULDER, FOSTER, IVAN, KOTT, DANES. Includes circled numbers 2 and 4.

CO-CHAIR'S SIGNATURE [Signature] Co-Chair IVAN

[Signature] Co-Chair KOTT



Reeve Aleutian Airways



February 8, 1996

Honorable Carl Moses
House of Representatives
State Capitol Building #204
Juneau, AK 99801-1182

via FAX (907)465-3445

Re: House Bill No. 468
An Act Establishing the Adak Reuse Authority

Dear Representative Moses:

Thank you for forwarding a copy of the proposed bill. All of the issues of concern are resolved in the bill and I am satisfied that the proposed legislation will achieve the objective of a Local Reuse Authority (LRA) as required in Federal legislation.

As you know we are extremely anxious to "get going" on Adak reuse concerns. Passage of this bill at this time is important so that the processes necessary to transition from a military installation at Adak to a civilian/commercial community can begin. Time is of the essence.

I urge the Military and Veterans Affairs Committee to pass this legislation onward with a pass recommendation. Hopefully, the House and Senate can achieve final legislation soon so that meaningful reuse of Adak can begin.

Sincerely,

A handwritten signature in cursive script that reads "David A. Jensen".

David A. Jensen
Vice President of Administration

CITY OF UNALASKA

P.O. BOX 610
UNALASKA, ALASKA 99885-0610
(907) 581-1251 FAX (907) 581-1417



February 8, 1996

The Honorable Carl Moses
Room 204
State Capitol
Juneau, Alaska 99801-1182

RE: **HB 466**

Dear Representative Moses:

On behalf of the City of Unalaska, I am writing to express our support for House Bill No. 466, "An Act establishing the Adak Reuse Authority." As a member of the Adak Reuse Planning Committee, it is my understanding that the next step in the process is the establishment of a Reuse Authority.

As you are aware, the City of Unalaska has been an active participant in the preliminary discussions on the future of the Adak Naval Air Station. We have invested considerable time and effort in our preliminary evaluation of incorporating Adak into a new borough government. The City is committed to working with the State of Alaska, the Federal Government, and the other entities participating on the Reuse Planning Committee in developing a comprehensive redevelopment implementation plan for Adak.

Again, the City of Unalaska supports HB 466 and appreciates your efforts in this matter.

Very truly yours,

CITY OF UNALASKA

A handwritten signature in black ink that reads "Mark Earnest".

Mark Earnest
City Manager

cc: Mayor Kelty and members of the Council

ADAK ISLAND: OVERVIEW AND REUSE POTENTIAL

GENERAL

The Naval Complex Adak occupies the northern portion of Adak Island, an island of the Aleutian chain, approximately 1300 miles southwest of Anchorage, Alaska and 1000 miles southeast of the Kamchatka Peninsula, Russia. The northern half of Adak comprises the Naval Complex, the southern half is a wilderness area under the jurisdiction of the US Fish and Wildlife Service. Current Navy maps of the island show a total of approximately 72,000 acres for the Naval Complex.

The Complex is isolated geographically with the nearest nonmilitary community of any size located 100 miles away on Atka Island. This geographic isolation and the extremely harsh weather make logistics especially important. Air carriers provide passenger and limited supply services. Bulk supplies are mainly delivered by ships and barges. Fuel used for electricity and steam generation, aircraft and vehicles is delivered via barge to the Fuel Pier in Sweeper Cove. The Complex is unique in that there is no adjacent civilian community on the island.

Adak is wet, foggy, stormy, windy and persistently overcast, with a mean temperature of 40° F and a seasonal variation of less than 20°, relatively mild for its northern latitude of 52°. Record temperatures were 75° F (August 1965) and 3° F (February 1964).

Storms occur in all seasons but are most frequent and severe during winter, when squalls produce wind gusts in excess of 100 knots. Heavy frontal rains alternate with blowing snow and showers, often resulting in poor visibility. During the summer, extensive fog forms over the Bering Sea and North Pacific and continually drifts over the island.

The vegetation of the Aleutian Islands is typical of tundra floral association. Because of glacial action which stripped all vegetation, there are no native trees, with the exception of dwarf willows and alders. The Adak National Forest comprises approximately 30 Sitka spruce which were transplanted from Kodiak in 1944. The trees are well formed and healthy, but stand only 9 to 15 feet high.

The low lying areas support a dense growth of grasses, moss and lichens. During the late summer heavy rains keep the island green. Narcissus, anemone, and lupine are abundant, and dense stands of beach wild rye occur on the dunes near beaches. The poorly drained ridges and highlands support several varieties of heath associated with a very thick, spongy mat of moss and lichens. Offshore, the sea water supports large beds of kelp and other algae on the rocky bottom.

Bald eagles, Peregrine Falcons, Aleutian Tern, and Arctic Tern are found on Adak. Bald eagles are specially protected under the Eagle Act. The Migratory Bird Treaty Act protects all migratory birds, including the Aleutian and Arctic Tern, which nest on Adak. A permit from the US Fish and Wildlife Service is required prior to disruption or destruction of an active nest of any migratory bird.

Adak has several streams which support seasonal salmon runs.

Adak had a rich prehistoric period, as evidenced by archaeological material found in many parts of the island. In general, archaeological sites in the Aleutians consist of prominent mounds of midden material covered with rye grass and cow parsnip.

In addition to the prehistoric sites, the Adak Army Base and Adak Naval Operating Base (ADK 128) are listed in the National Register of Historical Places and designated a National Historic Landmark. Compliance with Section 10(f) of the National Historic Preservation Act is required. The soon to be completed Historic and Archaeological Resources Protection (HARP) Plan will detail treatment of facilities on the island as negotiated with the Alaska State Historic Preservation Officer.

Automobiles are the principal means of transportation on Adak. There are approximately 16 miles of paved roads. There are also many gravel and dirt roads in varying states of repair.

UTILITIES

The Naval Complex at Adak is the sole source of primary and backup utilities on the island. Because of the geographic isolation of the Complex, it is critical that adequate utilities are provided.

Communication is provided by submarine cables, satellites and radio circuits. A low power television system exists on Adak. Cable TV is available via satellite. Alascom, Inc, and General Communications Inc. offer limited long distance service.

Steam and electricity are produced on Adak by JP-5 fuel driven generators and boilers. Like most other supplies, fuel is shipped from the mainland.

Water is plentiful. NAF draws its potable water supply from Lake Bonnie Rose with Lake DeMarie and Nurses Creek as backup. Mitchell creek is the primary water source for NSGA with North Lake as backup.

The main NAF sewage treatment plant has a capacity of 900,000 gallons per day. The wastewater collection system consists of 18 distinct subsystems which drain by gravity to 18 sewage lift stations.

Currently all solid waste is either burned in an open pit or buried in permitted landfills. Garbage and trash are trucked to a baling facility, compacted and baled, and buried at the Roberts Landfill.

FACILITIES

Airfield facilities include: runways, taxiways, aircraft parking pavement, aircraft maintenance hangars, ground support equipment, control tower, terminal building, aircraft crash/fire station.

Port facilities include piers and harbor master facilities. Shore power is available on the Supply Pier, but the sewage and fresh water systems on this pier are in need of repair. Fueling capability is available at the Fuel Pier.

The following type ships have utilized the piers for temporary berthing: supply ships, fuel ships, Coast Guard cutters, Department of Commerce research vessels, Station vessels (yard craft), Alaskan crab fleet ships and other transient ships.

The Command and administration facilities include administrative, office, and conference spaces.

Supply facilities include: dedicated supply, fuel and warehouse space (including cold storage), fuel storage tanks, bachelor housing, and administrative spaces.

Public Works facilities include: storage tanks for fuels and water, electrical and steam generation plants, equipment buildings, pump stations, sewage treatment plants, administrative spaces, storage facilities/areas, shops (vehicle, engine, facilities repair), distribution buildings/piping/systems, transformers, quarry sites, vehicle fueling stations/wash racks, and trash compaction/dump sites.

Medical/dental facilities at the Branch Hospital, Adak include: clinical facilities (15 bed inpatient), two surgical/delivery suites, outpatient facility, a pharmacy, and a Branch Dental Clinic.

Fuels at NAF are stored in a fuel farm located above the fuel pier at the end of Sweeper Cove. Most of the tanks in this area are used to store JP-5 fuel; the two smallest tanks contain MOGAS (motor vehicle fuel).

BUILDINGS

Facility	Construction Date	Square Footage
Sandy Cove. 334 units.	1986	
Eagle Bay. 100 units.	1987	
Moffett View. 70 units.	1986	
Bayshore. 100 units.	1980	
Turnkey (Arctic Acres). 100 units.	1972	
New Roberts. 24 units.	1964	
Old Roberts. 42 units.	1957	
Amulet. 6 units.	1951	
Officer Hill. 12 units.	1964	
Kuluk. 162 units.	1964	
Administration Building	1967	31,900
Public Works Building. Contains offices on the mezzanine level and shops on the ground floor.	1950	56,907

Government Gas Station. At PW.	1973	1,496
Power/Steam Plant #3. Provides electricity for the entire island and steam for heat and hot water for the Bering Hill area and the Laundry/Dry Cleaning Plant.	1950	38,808
Sewage Treatment Plant. 900,000 gallon per day capacity. Located on Kuluk Bay between Sweeper Cove and Monument Hill.	1974	
Red, White, and Blue Sheds. Historically significant buildings built in WWII.	1944	144,800 (ea)
Pat Kelly Terminal	1966	8,311
Control Tower	1958	10,423
Runways. Historically significant structures.	1944	A 7,607 Ft B 7,807 Ft
Fire and Crash	1958	7,265
VP Hangar	1965	49,148
AIMD Hangar	1958	61,619
Bering Hill Barracks	1949-1990	231,474
Bering Recreation Center	1950	72,563
Bering Hill Galley	1949	22,595
Sitkin Center	1950	7,575
Old Chapel	1944	4,328
New Chapel	1987	17,345
Fire Station	1951	5,445
VFW	1943	241
Aleutian Steakhouse (ASH)	1965	8,048
Housing Community Center	1986	17,958
Old Commissary	1973	69,600
High School	1991	77,100
Elementary School	1983	41,550
MAUW Compound. High security weapons compound used prior to drawdown in June of 1994.	1965	12,154
Explosive Ordnance Disposal (EOD)	1958	2,174
Pier 5. Systems exist to provide shore power, fresh water, and sewage hook-ups but major repairs are needed.	1980	1226 ft of berthing

Fuel Pier	1958	750 ft of berthing
Tank Farm D. Contains 13 field constructed tanks used for storage of JP-5, MOGAS, and other fuels.		
Roberts Landfill. Used for disposal of baled trash and garbage.	1973	62.39 acres
Baler Building. Garbage and trash are hauled to the Baler Building where they are compacted and tied into bales for disposal in Roberts Landfill.	1992	8,320

APPENDIX 3 - UTILITIES

FUELS

The availability of fuels is particularly critical to Adak. Fuels are used for electricity and steam generation, for aircraft and vehicles, and are periodically delivered to the fuel pier in Sweeper Cove.

Fuels at NAS are stored in a fuel farm of 284,000 barrels, located above the fuel pier at the end of Sweeper Cove. Most of the tanks in this area are used to store JP-5 fuel; the two smallest tanks contain MOGAS. An additional 300,000 barrel fuel storage capacity is planned with the construction of the Defense Logistics Agency Military Construction (MILCON) F-832 scheduled for Fiscal Year (FY) 1989. The NAS fuel distribution system is shown in figure App. 3-1. Also shown are the location and size of individual fuel tanks located throughout NAS and NSGA Mount Moffett.

Fuels are trucked to NSGA from NAS. They are stored in underground tanks in the NSGA main base area, behind the Heating Plant. The fuel is used primarily for steam generation. JP-5 fuel is stored in four 25,000 gallon underground tanks. Figure App. 3-11 shows their location and the location of other tanks at CDAA and other facilities.

ELECTRICITY

The existing electrical system for NAS and NSGA is closely tied and dependent on the main transmission loop. It consists of these components:

- Power generation at power plant #3.
- Backup generation at the Mount Moffett Plant #5.
- On-site emergency generation at various facilities around NAS, NAVFAC, and NSGA.
- A 13.8-kilovolt (kV) transmission system which interconnects eight substations.
- Five step-down distribution substations.

- Switching substations at four locations, one of which is equipped with a voltage regulator.
- 13.8-kV, 6.9-kV, and 2.4-kV distribution lines, both overhead and underground.

Power plant #3, near Amulet Family Housing, supplies power to all of Adak. The plant has three 800-kilowatt (KW) and six 3,000-KW generators. Plant #5 in the Mount Moffett area supplies Class B power to NSGA with its two 2,000-KW generators. Twenty-six miles of overhead and about 20 miles of underground lines constitute the transmission and distribution systems.

According to a recent report by HB Engineers of Portland, Oregon, the electrical system at Adak is in the final stages of completely failing to support the missions of NSGA, NAVFAC, and NAS. All three main parts of the electrical system (generation, transmission, and distribution) are in extremely poor condition due to age, lack of equipment coordination, and increased mission requirements without any system upgrade. The report outlines a series of urgent emergency measures and recommends projects to remedy immediately the most blatant deficiencies and establish a reliable power supply.

The current Adak Naval Complex electrical demand peak load is 10.75 MW. The following projections are based on the current projects under construction in FY89 and the programmed and unprogrammed projects included in the CIP.

<u>FY</u>	<u>Peak Load</u>
Present load	10.75 MW
FY89 CIP	14.00 MW
FY90 CIP	15.80 MW
FY91 CIP	15.90 MW
FY92 CIP	16.60 MW
FY93 CIP	17.00 MW
FY94 CIP	17.00 MW
FY95 CIP	17.20 MW
UP CIP	22.20 MW

MILCON Project P-957 "Power and Generation Upgrade" will be submitted to COMNAVAIRPAC (Code 513) for inclusion in the MILCON requirements program. This project proposes to construct two new 17 MW co-generation, combined-cycle, JP-5 burning gas turbine power and steam generation sets with heat recovery steam boilers and steam turbine electrical generation with extracted steam to the central steam system. Also, in order to increase the overall efficiency of the new plant, the central steam heating system will be expanded to include facilities currently receiving heat and/or hot water from individually fired package boilers. Included in the project is an electrical upgrade of the existing 2.4 kV and 6.9 kV portions of the base electrical distribution system to 13.8 kV. Due to the high cost of this project (currently estimated at \$39,800,000), especially in a decreasing MILCON funding period, NAS is proposing that evaluation of the feasibility of a Public-Private Venture (3rd party funding) be made to provide the two power plants for Adak. The electrical and steam distribution systems would then be upgraded in phases following construction of the two required power plants. Although this evaluation has yet to be performed, it is a certainty that major investments will have to be made for NAS to continue to supply reliable power in sufficient quantities for NAS, NSGA, and NAVFAC to continue to perform their missions.

Figure App. 3-III shows the Adak Complex 13.8-kV transmission system and the location of the eight substations. Figure App. 3-IV shows the 13.8-kV, 6.9-kV and 2.4-kV distribution systems at NAS and NSGA Mount Moffett. Figure App. 8-V shows the 13.8-kV and 2.4-kV distribution system at NSGA.

STEAM

NAS

At NAS steam is produced by two major steam plants. Boiler Plant No. 3 provides steam to three separate areas, each connected directly to the boiler plant steam header: Amulet housing area which includes the BOO and high school; the Bering Hill area which includes barracks, galley, club, and new chapel; and the laundry and dry-cleaning building. Boiler Plant No. 4 serves the Birch-

wood area which consists of several barracks, two hangars, a survival equipment building and a ground support building.

The Public Works building and Warehouse T1446 are served by separate boiler plants. In addition, 46 package boilers are located throughout NAS providing steam and hot water to various installations.

Boiler Plant No. 3 has four JP-5 fired water tube steam boilers, each with a capacity of 20,000 pounds/hour of steam at a pressure of 125 psig. Boiler Plant No. 4 contains two boilers with a net capacity of 38,000 pounds/hour. Steam load from Boiler Plant No. 3 is currently 36,000 pounds/hour with a future forecast of 30,000 pounds/hour additional, and Boiler Plant No. 4 is 14,000 pounds/hour with a future of 19,000 pounds/hour additional.

The distribution system is a combination of mostly underground high, medium and low pressure steam supply and condensate return lines. The existing system has adequate capacity for future additions through the year 1995, but improvements are required to provide the present services. The proposed installation of two five GT/HR units will provide heat recovered steam in quantities sufficient to replace all individual boilers, but the steam distribution system at Boiler Plant No. 4 needs to be expanded to include a downtown steam loop. Additionally, new construction in the Bering Hill area should be added to the Boiler Plant No. 3 distributor loop.

The two steam distribution systems and boiler plants at NAS are shown in figure App. 3-VI of the appendix. Also shown are the locations and capacities of package boilers scattered throughout Adak facilities and the boiler house located at NSGA Mount Moffett.

NSGA

The NSGA main base at Clam Lagoon has one central boiler plant (No. 6) which generates steam to all its buildings in the immediate area. The transmitter site at Moffett has a separate boiler plant (No. 5) for heating the garage and shop buildings. The central plant has two boilers rated at 7,600 pounds/hour of 100 psig steam each, the

Moffett plant contains two boilers, each producing 1,070 pounds/hour steam at 22 psig. They were installed in 1977 and 1981, respectively, and burn JP-5 fuel.

Distribution from plant No. 6 is by underground or "utilidor" lines. Plant No. 5 at Mount Moffett is by a single steam line installed above ground on timber supports to Building 10362 and underground to Building 10619.

Output at each plant is limited to one boiler with the other required for standby power, but the existing system, with installation of branch services, has adequate capacity for all facilities except the combined recreation facility (P-065) which is currently unprogrammed. Options to heat this facility are a separate boiler or a third boiler in plant No. 6 with a supply line. Additional package boilers are located at CDAA, transportation and the Classic Wizard.

Some upgrading of the existing distribution and generation system is required such as replacement of steam and condensate lines and the replacement of the deaerator and condensate tank in Boiler Plant No. 6.

The steam distribution system and boiler plant at NSGA are shown in figure App. 3-VII of the appendix. Also shown are the location and size of the individual package boilers at CDAA, transportation and the Classic Wizard.

WATER

NAS

Lake Bonnie Rose is the primary water source for NAS (500 million gallons). Lake De Marie (200 million gallons), and Nurses Creek are secondary sources. Ten permanent tanks provide additional storage. The distribution system is comprised of 47.1 miles of conduit and five water tank locations.

The major components of the water system were constructed prior to 1960. These include small dams at Lake Bonnie Rose and Lake De Marie (both natural lakes), a diversion dam on Nurses Creek, storage tanks, transmission lines and portions of the distribution system, subsequently expanded to about 48 miles. Surface runoff is the only

source of water, chlorination the only treatment. The system operates by gravity, with pressure reduction required at Lake Bonnie Rose. Lake De Marie's low elevation requires pumping to fill storage tanks in the Bering Hill area. Nurses Creek presently supplies only the Mount Moffett Antenna facility. The water line going to and through NSGA's Mount Moffett is the responsibility of NAS Adak. The water provided to Mount Moffett is manually chlorinated.

The water system has the capacity to serve a population many times larger than the present loading, but the system is old and many transmission and distribution mains are in poor condition and leak badly. Also, the De Marie transmission main, the primary backup source for NAS, is in suspect condition. Equipment in the control structure on this main is inoperable. The facility should be rehabilitated.

The NAS and NSGA Mount Moffett water distribution system including the location of all water storage tanks is depicted in figure App. 3-VIII.

NSGA

The water system consists of a small diversion dam and pump house on Mitchell Creek, transmission lines, a water treatment facility, 250,000-gallon storage tank and distribution piping. North Lake is the backup water source.

The pipeline between the storage tank and the Complex, and the piping within the Complex, were replaced in 1987. A new larger pipeline was run to CDAA as part of that project.

The six-inch pipeline between Mitchell Creek pump house and Building P-80, has recently been replaced and the 10-inch line from P-80 to the North Lake water tank was replaced in 1988. No other major improvements to the system will be required. However, the filtration/chlorination station located at P-80 should be moved to North Lake to allow both North Lake supply and the Mitchell Creek supply to be filtered and chlorinated. Currently chlorination is provided on both supplies but only filtration is provided on the Mitchell Creek

supply. The NSGA water distribution system is depicted in figure App. 3-IX.

The primary water sources for the entire Naval Complex are shown in figure App. 1-II.

FIRE SAFETY

The main water supply system also serves fire protection facilities. Of the two principal facilities, the Crash Station is on Taxiway A of the airfield, and fire station No. 2 is at the NSGA main base near Clam Lagoon.

The crash station is designed and operated to handle aircraft crashes and fires and cannot be directed to combat structural fires in the immediate area without seriously jeopardizing the station's air operations capability. In addition, the crash station's equipment is not suitable for fighting structural fires. MILCON project P-017, currently programmed for FY93, will rehabilitate the existing facility as well as provide 19,787 square feet of additional space.

Fire Station No. 2 can adequately serve all of the buildings at the NSGA main base.

Mount Moffett fire protection is provided solely from fire hydrants supplied from the potable water line from tank "E". This line is inadequately sized to provide the required pressure and flow, rendering Mount Moffett without effective fire protection. This line should be replaced with a larger line as soon as possible.

WASTEWATER

NAS

The main NAS sewage treatment plant is located between the entrance to Sweeper Cove and Monument Hill on Kuluk Bay with a capacity of 900,000 gallons per day. Due to infiltration, actual flow often exceeds capacity and chemical pollutants find their way into the collection system. Also, unintended storm drainage connection to the sewage collection system continues to strain the treatment plant beyond its handling ability during heavy or continuous rains. After correction of these problems the treatment facility should accommodate programmed loads without augmentation. A study is planned to identify the required corrective action.

The wastewater collection system consists of 18 distinct subsystems which drain by gravity to sewage lift stations. The system currently has 18 active pumping stations and, with the exception of lift stations 11 and 13, can accommodate additional flows from programmed facilities and resultant system expansions. Some outlying facilities have septic tanks.

The Davis Lake Sewage Lagoon serves the contractor's camp, NAVFAC and the MAUW compound and provides primary treatment. Effluent from this lagoon flows overland through an accessible area and discharges into Sweeper Cove. This facility has adequate capacity for current needs, but future growth in the area will require construction of an ocean outfall from the lagoon to Sweeper Creek, or a pipe connection to the main collection system.

Neither the treatment plant nor Davis Lake Sewage Lagoon satisfies the State of Alaska treatment requirements. The above mentioned study should address this potential problem. The NAS sanitary sewer and storm sewer systems are shown in figures App. 3-X and App. 3-XI, respectively.

NSGA

The main base at Clam Lagoon is served by a gravity wastewater collection system and an activated sludge plant of the extended aeration type, located directly below the base on Clam Lagoon. The plant was built in the early 1970's with a design capacity of 150,000 gallons per day and is adequate for current and anticipated loads. Special Project RC32-87 - Repair Sewage Treatment Plant will provide needed repairs to the existing plant. Outfall goes into Clam Lagoon. The storm water collection system is separate and discharges directly into Clam Lagoon.

A small sewage lagoon with a surface area of 1/3 acre and with provisions for tertiary treatment serves the Mount Moffett Antenna site. Effluent discharges into the tundra, which is not considered a health hazard or environmental problem with the site's present average daytime population of under 20.

Currently the CDAA facility is served by a sewage absorption field of 1,400 feet of

denorated four-inch pipe, built in the early 1970's and designed for a maximum daytime population of 35. Present averages of 60 to 75 workers significantly exceed the design population but with periodic cleaning of the septic tank, the field has been performing adequately. Projected increases in personnel will require connection of the CDAA facility to the main sewer plant. Special project CR1-89 will install a new sewer line from the CDAA facility to the main sewage treatment plant.

The NSGA storm and sanitary sewer systems are shown in figure App. 3-XII.

SOLID WASTE

Currently all solid waste is either burned in an open pit or burned in landfills.

Garbage and trash is trucked to a NAS bailing facility near recently constructed family housing and dumped at Robert landfills. The bailing facility was constructed in 1944 as a semi-permanent building and converted for bailing operations in 1976. It is now severely deteriorated, dangerous, inefficient, rat infested and constitutes a health hazard to the near-by housing occupants. The existing landfill is overflowing. MILCON Project P-892, programmed for FY91, will provide some relief to this very critical safety and environmental problem.

Metal, wood and large pieces of card-board are carried to the dumpsite at Monument Hill, where the metal is buried and the wood and cardboard are burned in an open pit.

Waste oils are used as fuel and burned in the steam plant. (A situation that cannot continue with the installation of new proposed turbine engines.)

Pathological waste from the Hospital is currently being buried. Special Project EC12-88, when completed will remedy this critical problem. Storage of this material in 55-gallon drums is being initiated until the new equipment is on board and operational.

Hazardous waste is now stored in 55-gallon drums in an uncovered area and periodically flown from Adak to Elmendorf Air Force Base on C-141 aircraft. A hazardous waste

management plan is being developed which will include construction of a hazardous waste storage building; shipping by barge of hazardous waste, PCB's, waste oil and scrap metal to Fort Lewis, Washington; updating of spill prevention plans and preparation of contingency plans for hazardous materials spills.

Precious metals (gold, silver, platinum, etc.) used by AIMD, communications units, the hospital, photo lab, etc., are buried in landfills. Feasibility of recovery of these materials should be considered.

A recycling program should be initiated, possibly along the lines of those discussed in the "Guide for Developing a Recyclable Material Sales Program" prepared by Naval Energy and Environmental Support Activity (NEESA) of Port Hueneme, California.



INTRODUCTION

The purpose of these Design Guidelines is to establish design criteria for the improvement of the Naval Complex's visual image. Together with the recommendations of the master plan they form the planning basis for a safe, humane and efficiently functioning environment. Proper land use planning combined with good design will enhance the capability of the Complex to carry out its missions, foster pride in and commitment to the military service.

The guidelines are intended to serve as references to the selection of exterior design components such as:

- Siting of buildings
- Architectural features
- Street lighting and site furnishings
- Directional and informational signage
- Landscaping and planting

In the first part of the Design Guidelines the existing environment is briefly examined and observations of common assets, design liabilities and opportunities are presented. The second part contains the recommendations.

For this document to be effective it must be used conscientiously and with skill by competent architects and engineers in the design of new building and renovation projects, and by Public Works Officers, their staffs and contractors for special and self-help projects, repairs, maintenance and the selection of exterior furnishings. It must also be updated periodically, preferably together with the master plan.

EXISTING ENVIRONMENT

Climate

The weather is harsh. It is cool, wet, persistently over-cast and, above all, very windy. Mean temperatures at sea level vary seasonably from 20° to 60° F, without extreme cold or heat. Storms are frequent and severe, especially in winter when gusts can exceed 100 knots. Fog is common during summer months.

Landscape

Adak, like other Aleutian islands, is mountainous, has no native trees or bushes. It appears empty but for its maritime tundra, brown in winter, green in summer. The mountains, often snow covered, are spectacular. Most of the island is hilly; but the main area of the Naval Air Station is one of the few large flat lands, actually a lagoon filled in during WWII. NSGA's main base sits on a small plateau as do the Bering Hill Barracks. These areas are mostly barren, gravelly and rocky where unpaved. The commons in the residential areas are only sparsely covered with grasses.



View S.E. from Kukuluk Beach

Roads and Parking

The road network is extensive, but road conditions are often poor. Very few roads outside the main bases are paved, not even Bayshore Highway, the link between NAS and NSGA. Construction during WWII was fast, frequently without proper preparation or uniform compaction. Pot holes are common. With the exception of two housing areas and some major activity center, streets are generally without curbs and sidewalks. Parking lots are paved in the downtown area and at some of the newer buildings, but many are gravel or compacted soil, pockmarked and muddy during the rains.

VISUAL ANALYSIS

In this chapter some representative buildings are examined for their aesthetic appropriateness to the Arctic environment regardless of their internal functioning or quality of construction. This analysis will help in the formulation and understanding of the subsequent guidelines by highlighting those positive design aspects to be emulated, as well as those to be avoided. Because of substantially different design characteristics, buildings are analyzed by functional groups: residential, institutional/educational, commercial, industrial and recreational.

Residential

Sandy Cove, the latest housing project, is a good example of appropriate design. The strong colors of the pitched metal roofs (blue and red), relatively light-colored and smooth walls, white window trims and articulated facades give it variety, contrast and human scale. The greenhouses are nice features.

The choice of brown for some of the roofs and greenhouse frames is inappropriate. Brown lacks the cheeriness for emotional relief from gloomy weather. Also, the tone of the grayish walls of the blue-roof houses is a shade too dark and the fenced yards seem after-thoughts, not integrated with either landscape or houses. However, these negative effects are relatively minor in the overall pleasant appearance of the housing project. The only real eyesores are the trash dumpsters.

Baysnore Housing, although interesting in its total composition, wants diversity of form and color to overcome the empty landscape; and the light color roofs cannot provide sufficient contrast to the gray skies. The metal flues add some "rhythm", but are stark design elements and seem afterthoughts.

Turnkey Housing (Arctic Acres) lacks a sense of permanency. The "outrigger" side walls and the dark "eye-brow" roof overhangs are decorations in an unsuccessful attempt at hiding the utilitarian character of simple structures. Together with the curbless streets and meager landscape it projects a feeling of



Sandy Cove Family Housing



Baysnore Family Housing



Turnkey Housing (Arctic Acres)

Commercial

The Navy Exchange Building and the Post Office structure and commercial buildings in the downtown could hardly be of a crisper appearance. The long pre-cast concrete facade, without windows, and a poorly defined entrance, give no visual relief from the overcast sky and the large, unbroken parking lot. Signs of structural deterioration add to the depressing mood. Besides the established need for seismic upgrading, this building, more than any other, should have a thorough facelift, with strong colors and bold graphics.

The stereotype design of McDonald's next door, perhaps a nostalgic link to life back home, contributes little to the establishment of a base-specific architectural scheme. These commercial brand building styles create explicit images, difficult to integrate into a common design language. On the positive side, McDonald's adds a little color and, with its large windows, brings some friendliness to an otherwise drab setting.

Industrial

Of the industrial type facilities the most prominent ones are hangars and warehouses. The VP Hangar, the largest at the airfield, is very visible from the main road, especially its highly decorated side wall. The collection of large scale insignia, though somewhat haphazardly applied, adds interest to an otherwise bland wall. It also establishes an identity.



The Highly Decorated Wall of the VP Hangar

This points to the use of supergraphics to relieve the visual monotony of very large, empty surfaces. Most of the warehouses are large to very large structures of simple, box like shapes and are located in operational areas. The light colored ones are generally the least obtrusive. Building T-1417 comes in two colors, blue bottom and beige top, a fairly successful device for visually reducing its enormous bulk. Among the recently constructed industrial type buildings the NSGA Public Works and Fire Station and the Classic Wizard Building are noteworthy for their good proportions and colors, and a scale appropriate for their functions and locations.

Navy Exchange



Sec. 44.88.155. Enterprise development account. (a) The enterprise development account is established in the revolving fund. The enterprise development account is a trust fund for the uses and purposes of this chapter. The enterprise development account consists of money or assets appropriated or transferred to the authority and other money or assets deposited in it by the authority.

(b) The authority may establish in the enterprise development account the accounts it considers appropriate.

(c) Money and other assets of the enterprise development account may be used to secure bonds of the authority issued to finance the purchase of loans for projects or may be used to purchase participation in the loans for projects.

(d) A loan participation purchased by the authority with assets of the enterprise development account or with proceeds of bonds secured by assets of the enterprise development account

(1) may not exceed \$10,000,000; however, in the case of a loan participation for a power transmission intertie, the loan participation may exceed \$10,000,000 with legislative approval:

(2) may not be purchased unless

(A) the project applicant is not, or, if the applicant is not a single proprietorship, all members of the business enterprise or enterprises constituting the project applicant are not, in default on another loan made by the state or by a public corporation of the state; and

(B) at least 20 percent of the principal amount of the loan is retained by the loan originator;

(3) may not be purchased if the loan to be purchased exceeds the cost of the project or 75 percent of the appraised value of the project, whichever is less, unless the amount of the loan in excess of this limit is federally insured or guaranteed or is insured by a qualified mortgage insurance company;

(4) may not be purchased if the participation in the loan to be purchased is for a term longer than three-quarters of the authority's estimate of the life of the project or 25 years from the date the loan is made, whichever is earlier; however, in the case of a loan participation for a power transmission intertie, the term may not be longer than 50 years from the date the loan is made;

(5) may be made only if the participation in the loan to be purchased contains amortization provisions; the amortization provisions

(A) must be complete and satisfactory to the authority and require periodic payments by the borrower;

(B) may allow the loan originator to amortize the portion of the loan retained by the loan originator using a shorter amortization schedule than the amortization schedule for the portion of the loan held by the authority if

(i) in the authority's opinion, the project financed can support the increased debt service; and

(ii) the accelerated amortization schedule is required to induce the originator to make the loan;

(6) may be made only if the participation in the loan to be purchased is in the form and contains the terms and provisions with respect to insurance, repairs, alterations, payment of taxes and assessments, default reserves, delinquency charges, default remedies, acceleration of maturity, secondary liens, and other matters the authority prescribes; and

(7) may be made only if the participation in the loan to be purchased is secured as to repayment by a mortgage or other security instrument in the manner the authority determines is feasible to

assure timely repayment under a loan agreement entered into with the borrower.

(e) The authority may adopt regulations for the administration of the enterprise development account including, without limitation, provisions for fees and agreements relating to application, loan commitment, servicing, and origination of loans by other lenders.

(f) The authority may enter into agreements as to the use of the money in the enterprise development account, including without limitation, trust or custody arrangements with banks or trust companies. It may also pledge, assign, or grant the agreement, interests under an agreement, or interests in the enterprise development account as may be necessary or appropriate to provide for payment and security for bonds of the authority issued to finance the purchase by the authority of loans for projects.

(g) Notwithstanding any other provision of this section, the authority may waive or modify the requirements of this section as it considers appropriate and prudent in order to finance a project if the authority intends to own the project or in order to finance a power transmission intertie project.

(h) The provisions of this section apply only with respect to a loan participation purchased by the authority for projects under AS 44.88.155 — 44.88.159. (§ 65 ch 106 SLA 1980; am § 38 ch 115 SLA 1981; am § 7 ch 162 SLA 1984; am §§ 21 — 27 ch 42 SLA 1987; am § 32 ch 141 SLA 1988; am §§ 12 — 14 ch 123 SLA 1990; am § 1 ch 25 SLA 1991; am §§ 5 — 7 ch 51 SLA 1992; am §§ 24, 25 ch 18 SLA 1993)

Revisor's notes. — Enacted as AS 44.61.155. Renumbered in 1980.

Effect of amendments. — The 1990 amendment, effective June 15, 1990, substituted "the accounts" for "a small enterprise loan account, a loan insurance account, and other accounts" in subsection (b); deleted "and shall be held and invested by the authority in accordance with AS 37.10.071" after "projects" in subsection (c); deleted former subparagraph (d)(1)(B), which provided "\$500,000 if the loan is purchased under AS 44.88.158"; substituted "20 percent" for "10 percent" and inserted "as long as the loan is outstanding" in subparagraph (d)(7)(A); deleted former subparagraph (d)(8)(A), requiring a partial guarantee of a loan by the United States or an agency or instrumentality thereof; and made related stylistic changes.

The 1991 amendment, effective June 11, 1991, rewrote paragraphs (d)(4) and (d)(7).

The 1992 amendment, effective June 11, 1992, substituted "may be used to purchase participation in the loans" for "shall be used to purchase loans" in subsection (c), rewrote subsection (d), and substituted "to a loan participation purchased by" for "to loans purchased or made by" in subsection (h).

The 1993 amendment, effective August 11, 1993, in subsection (d), added "however, in the case of a loan participation for a power transmission intertie, the loan participation may exceed \$10,000,000 with legislative approval" to the end of paragraph (1) and "however, in the case of a loan participation for a power transmission intertie, the term may not be longer than 50 years from the date the loan is made" to the end of paragraph (4); and, in subsection (g), added "or in order to finance a power transmission intertie project" to the end.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

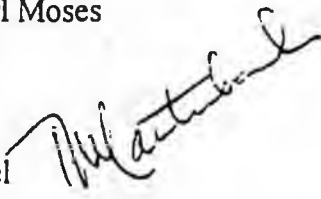
130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

February 9, 1996

SUBJECT: Sectional Summary of HB 466. (Adak Reuse Authority)

TO: Representative Carl Moses
Attn: Tim

FROM: Terri Lauterbach 
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Establishes the Adak Reuse Authority whose purpose is to develop and implement a comprehensive reuse and redevelopment plan for the territory encompassed by the Adak Naval Air Facility.

Sections 30.17.110 - 30.17.270 and 30.17.300 - 30.17.320 are based on provisions applicable to resource development authorities that may be formed under AS 30.13. The comparable sections in AS 30.13 can be found at AS 30.13.040 - 30.13.150.

Sections 30.17.280 and 30.17.330 - 30.17.370 are based on provisions applicable to AIDEA. The comparable AIDEA provisions can be found at AS 44.88.155, 44.88.170, 44.88.180, 44.88.190, 44.88.205, and 44.88.210(a).

Section 2. Puts the officers and employees of the Adak Reuse Authority in the exempt service.

TML:pl
96-051.plm

Stevens seeks use for Adak

Remote base offers ready-to-live-in town

By DAVID WHITNEY
Daily News reporter

WASHINGTON — Available immediately: One fully built town, complete with international runway, modern housing, schools and port. Needs residents.

Such is the appeal Sen. Ted Stevens sent out Friday for ideas on the future of Adak Naval Station, once a supersecret spot on the far-flung tip of the Aleutian Islands.

The facility was used as a staging area for monitoring Soviet submarine activity when there was a Soviet Union and a Cold War.

Now, with the Cold War over and the Soviet Union dismantled, the Adak installation is a useless artifact. It was ordered closed by the Base Closure and Realignment Commission last year.

Stevens will convene a meeting Feb. 16 in Anchorage to find out if there is any life after death for the once-bustling city, which in its heyday rated as one of the larger towns in Alaska.

"Adak has approximately \$2 billion worth of quality facilities on it," Stevens said in a prepared statement. "Many people, and I'm one of them, believe Adak is such a central location that we ought to look to it to become an international

Please see Page E-3, **ADAK**

A.D.N.
SAT, FEB. 3, 1996
METAS FRONT

ADAK: Stevens wants base maintained

Continued from Page E-1

center of some kind."

Among the ideas that have been floated are converting it into a fishing port or turning it into a prison.

"I believe it's up to all of us to put our heads together and try to figure out how to get some value out of the taxpayers' money," Stevens said. "The fishing industry, aviation people, those involved in trade, could all come together and work to expand the contribution Adak can make to our state's economy."

In an interview this week, Stevens said

he instructed the Defense Department through a rider on a spending bill to keep all the buildings heated so they don't deteriorate in the harsh environment.

"It would have been closed already except that I asked them to keep it warm for this period until we find out if we can use those buildings," he said.

The meeting will be held at the Hotel Captain Cook. The Navy will review what's at the facility, the timetable for closing the operations and any environmental problems the Navy is leaving behind.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
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130 Seward Street, Suite 409
Juneau, Alaska 99801-2105


MEMORANDUM

March 11, 1996

SUBJECT: Interpretation of AS 30.17.260 (HB 466)

TO: Representative Carl Moses
Attn: Tim Benintendi

FROM: Terri Lauterbach
Legislative Counsel



You have asked whether subsections (a) and (b) of AS 30.17.260 conflict in HB 466.

In my opinion, subsection (b) should be viewed as an exception to or clarification of subsection (a). If you wish to enhance the clarity of the entire section, I would advise the addition of the following phrase at the beginning of subsection (a): "Except as provided in (b) of this section and in AS 29.45.030(a)(1), the real and personal property. . . ."

DISCUSSION

AS 30.17.260 in HB 466 mirrors the language in current law at AS 30.13.110, which reads, in pertinent part, as follows:

Sec. 30.13.110. EXEMPTION FROM TAXATION. The real and personal property of an authority and its assets, income and receipts are declared to be the property of a political subdivision of the state and, together with any project financed under this chapter are exempt from all taxes and special assessments of the state or a political subdivision of the state. . . . Nothing in this section affects or limits an exemption from license fees, property taxes, or excise, income, or other taxes, provided under any other law, nor does it create a tax exemption with respect to the interest of any business enterprise or other person, other than the authority, in any property, assets, income, receipts, project or lease whether or not financed under this chapter.

Similar, but clearer, language is also found in AIDEA statutes at AS 44.88.140(a), which reads, in pertinent part, as follows:

Representative Carl Moses

March 11, 1996

Page 2

(a) Except as provided in AS 29.45.030(a)(1), the real and personal property of the authority and its assets, income, and receipts are declared to be the property of a political subdivision of the state and, together with any project or development project financed under AS 44.88.155 - 44.88.159 or 44.88.172 - 44.88.177, and a leasehold interest created in a project or development project financed under AS 44.88.155 - 44.88.159 or 44.88.172 - 44.88.177, devoted to an essential public and governmental function and purpose, and the property, assets, income, receipts, project, development project, and leasehold interests shall be exempt from all taxes and special assessments of the state or a political subdivision of the state, including, without limitation, all boroughs, cities, municipalities, school districts, public utility districts, and other taxing units. . . Nothing in this section affects or limits an exemption from license fees, property taxes, or excise, income, or any other taxes, provided under any other law, nor does it create a tax exemption with respect to the interest of any business enterprise or other person, other than the authority, in any property, assets, income, receipts, project, development project, or lease whether or not financed under this chapter. . .

The phrase "Except as provided in AS 29.45.030(a)(1)," which appears at the beginning of AS 44.88.140(a), was added by the legislature in 1991. AS 29.45.030(a)(1) provides that municipal and state property are exempt from taxation "except that a private leasehold, contract, or other interest in the property is taxable to the extent of the interest."

I read subsection (a) of AS 30.17.260 as stating the general rule that the Adak Reuse Authority may not be taxed on its assets. I read subsection (b) as a clarification that this exemption does not apply to third parties who have an interest in assets of the authority, such as a leasehold interest. This is the same kind of exception that is found in AS 29.45.030(a)(1).

If you wish to clarify the relationship between subsections (a) and (b) of AS 30.17.260, the following phrase could be added at the beginning of subsection (a): "Except as provided in (b) of this section and in AS 29.45.030(a)(1)." Then the section would read more like the current AIDEA tax exemption statute and ensure that AS 30.17.260 could not be construed to override AS 29.45.020(a)(1) as to the taxation of third-parties' interests, if any, in the authority's assets.

Please let me know if you have further questions on this matter or if I can be of other assistance.

TML:klb:glc
96-176.klb

COMMITTEE PRESENTATION

House Bill 466

Adak Reuse Authority

HOUSE BILL 466 IS THE BILL TO ESTABLISH AN ADAK REUSE AUTHORITY. FROM PREVIOUS DISCUSSION IN COMMITTEE AND SUB-COMMITTEE, WE HAVE PREPARED THE CS BEFORE YOU, HAVE OBTAINED A LEGAL OPINION CLARIFYING THE TAX EXEMPTION LANGUAGE ON PAGE 9, WE HAVE CIRCULATED COMMENTS FROM BOND COUNSEL, AND HAVE WITNESSES ON HAND TO ADDRESS QUESTIONS YOU MAY RAISE TODAY.

MR. KEN VASSAR, BOND COUNSEL TO THE MUNICIPAL BOND BANK, IS WITH US BY TELECONFERENCE FROM ANCHORAGE, MS. SARAH FELIX OF THE ATTORNEY GENERAL'S OFFICE IS PRESENT, AS IS MR. LAMAR COTTEN, DEPUTY COMMISSIONER OF COMMUNITY & REGIONAL AFFAIRS. A NEW FISCAL NOTE FROM C. R. & A. IS BEING COMPLETED TODAY. I WOULD BE HAPPY TO ANSWER ANY QUESTIONS.



Faxed: (907)465-²⁴¹⁵~~4939~~

March 8, 1996

The Honorable Mark Hanley
State of Alaska House of Representatives
Finance Committee
Juneau, Alaska 99801

Re: *ADAK*

Dear Representative Hanley:

The Ounalashka Corporation opposes House Bill 466.

We are supporting the United Aleut Nation in its efforts to reclaim the ownership of the land. This is land that the federal government agencies have recognized that belongs to the Aleuts for over the past 100 years.

The State of Alaska should recognize that the Aleuts had this land long before the United States government bought Alaska from Russia, and this is only giving them what is rightfully theirs within the laws of this country.

The Aleut People and all of the Aleut tribal governments, traditional councils, village corporations, the Aleutian/Pribilof Islands Association and the Aleut Corporation are united in support of the United Aleut Nation to have the federal government give Adak land and facilities back to the Aleut People.

Please vote against House Bill 466.

Sincerely,
OUNALASHKA CORPORATION

Richard L. Davis, Jr.
Richard L. Davis, Jr.
Chief Executive Officer

cc: file
Elary Gromoff, The Aleut Corporation

Alaska State Legislature

Representative Carl E. Moses

CHAIRMAN
HOUSE RULES COMMITTEE

VICE-CHAIRMAN
HOUSE SPECIAL COMMITTEE ON FISHERIES



SESSION:
STATE CAPITAL BUILDING
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SPONSOR STATEMENT

House Bill 466

House Bill 466 would establish an Adak Reuse Authority to facilitate the conversion of the Adak Naval Air Facility to civilian use. Last year, the ANAF was targeted for closure by the federal base closure commission. The closure deadline is January, 1998, however, it is widely recognized that the Department of the Navy will vacate the facility ahead of schedule.

Creating a reuse authority is crucial to the conversion process in terms of implementing a reuse plan. Since Adak has no local governmental entity, the need for the reuse authority is doubly important.

HB 466 establishes a seven-member authority as an instrumentality of the Community and Regional Affairs Department. It calls for membership consisting of the Commissioner of C. R. & A., two other department heads selected by the governor, and four public members, appointed by the governor.

The Adak Reuse Authority would develop and implement a comprehensive reuse and redevelopment plan in a manner which will attract business, create jobs, and advance the general prosperity and economic welfare of the region, and the state.

This authority would have the powers to perform administrative duties, enter into contracts, operate enterprises, receive grants and other funds, disburse funds, and issue revenue bonds. An enterprise development account would be created for the Adak Reuse Authority by virtue of this bill.

If there are questions, please contact Tim Benintendi of my office at 465-3764.