

**HB**

**466**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/11/96

DATE TURNED INTO OFFICE: 4-23-96

The Finance Committee considered CS FOR HOUSE BILL NO. 466(FIN) am  
Establishing the Adak Reuse Authority.

and recommends:

- be replaced with 5 CS CS HB 466 (FIN)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**
- same title
  - new title
- House Bill:**
- same title
  - technical change
  - new: SCR# \_\_\_\_\_

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
		<i>Steve King</i>	✓		
		<i>Wesley Douglas</i>	✓		
		<i>Paul P. Huffer</i>	✓		
		<i>Gene Whaley</i>	✓		
Co-Chair:		Co-Chair: <i>[Signature]</i>	✓		
Co-Chair:		Co-Chair: <i>Rick Halford</i>	✓		

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal
<i>DCLRA</i>	<i>4/17/96</i>	<i>0</i>	

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal
<i>#3 DCLRA</i>	<i>4/14/96</i>		<i>281-0</i>

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill



# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. SCS CS HB-466 (CRA)

ANALYSIS: (continued)

## DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT Fiscal Note Calculations for

This fiscal note covers the cost of core management staff for the Adak Reuse Authority, consisting of an Executive Director and Administrative Assistant. The Senate Community and Regional Affairs committee substitute prohibits the Authority from hiring employees, stating that instead the Authority should contract for professional services, including those of an Executive Director. Therefore all staff support costs are included in contractual services.

Any staff to operate facilities and deliver services would be funded entirely with charges for these services and facilities. The analysis assumes that the Authority management staff would become self-supporting from lease revenues or other service contracts after a two-year period. The analysis also assumes that the Department of Defense, Office of Economic Adjustment will provide at least \$100.0 per year for the first two years.

1. Personal Services

No cost since the Authority is not authorized to hire staff.

2. Travel

Travel costs are based on Authority board meeting costs and 2 trips per month between Adak and Anchorage lasting three days each.

3. Contractual Services

(a) Contracts for Executive Director (\$112.5) and Administrative Support (\$53.6).

First year cost is for nine months.

(b) Contractual also includes \$50.0 per year for legal services, real estate, engineering and other professional services.

(c) Contractual also includes funding for phones, advertising and other overhead costs.

(d) Office space will be provided at no charge by the Navy or in a facility which the LRA will own.

Utilities will be provided by the Navy at no charge in the first year, and thereafter purchased by the LRA.

4. Supplies

Estimated cost of supplies for the board, management and support staff.

5. Equipment

Computers, copying machine, and other equipment for the Authority.

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO: SCS CS HB 466 (CRA)

Revision Date: 4/17/96 Dept. Affected: Community & Regional Affairs  
 Title: An Act establishing the Adak Reuse Authority. BRU: Adak Reuse Authority  
 Component: none  
 Sponsor: Rep. Moses  
 Requestor: Senate C&RA COMPONENT SERIAL NO. \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
CHANGE IN REVENUES ( ) Revenue Code						

**FUNDING: (Thousands of Dollars)**

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

Estimate of current year (FY 96) impact: \$ none

**POSITIONS:**

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

ANALYSIS: (Attach a separate page if necessary.)

This bill will have no fiscal impact on the department.

Prepared By: Remond Henderson *Remond Henderson* Phone: 465-4708  
 Division: Director, Administrative Services Date: 4/17/96  
 Approved by Commissioner: Mike Irwin *Mike Irwin* Date: 4/17/96  
 Agency: Mike Irwin, Dept. of Community & Reg. Affairs

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A m e n d m e n t

By Rieger 4/23/90

SR

Page 5, line 17 after "transfer." insert:

- Moved

Adopted

(d) The authority may not enter into a trust indenture or contract which has the effect of precluding the transfer of the assets and liabilities of the authority to a successor.

4/23/96

Add  
SR

9-LS1580\O

Amend  
to this  
bill to  
produce  
3 (Fix)  
VERSION

Fix

SENATE CS FOR CS FOR HOUSE BILL NO. 466(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 4/11/96  
Referred: Finance

Sponsor(s): REPRESENTATIVES MOSES, Mulder

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 Commerce and Economic Development,  
9 but 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 commerce and economic development;
- 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, AND EMPLOYEES. (a) A  
18 majority of the members of the authority constitutes a quorum for the transaction of  
19 business or the exercise of a power or function at a meeting of the authority. Action  
20 may be taken and motions and resolutions may be adopted by the authority only upon  
21 an affirmative vote of a majority of the full membership of the authority. The authority  
22 may meet and transact business by electronic media if (1) public notice of the time and  
23 locations where the meeting will be held by electronic media has been given in the same  
24 manner as if the meeting were held in a single location; (2) participants and members  
25 of the public in attendance can hear and have the same right to participate in the meeting  
26 as if the meeting were conducted in person; and (3) copies of pertinent reference  
27 materials, statutes, regulations, and audio-visual materials are reasonably available to  
28 participants and to the public. A meeting by electronic media as provided in this  
29 subsection has the same legal effect as a meeting in person.

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

1 boards under AS 39.20.180.

2 (c) The authority may not hire employees but may contract with individuals or  
3 entities to serve in capacities it considers advisable, including service as an executive  
4 director, executive secretary, professional advisor, legal counsel, technical expert, agent,  
5 and in other positions. A contractor hired under this subsection is not a state employee  
6 for any purpose. A contract under this subsection may not exceed two years' duration.

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

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

4 (c) The authority may not issue bonds to finance or assist in financing a project  
5 unless the authority has received legislative approval to do so for a specified project.

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

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

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

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

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

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

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

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

32 (f) Before issuing bonds for a project under this chapter, the authority shall

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

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

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

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

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

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

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

32 (E) the vesting in a trustee of rights, powers, duties, funds, or

1 property in trust for the benefit of bondholders, including, without limitation, the  
2 right to enforce payment, performance, and all other rights of the authority or of  
3 the bondholders under a lease, contract of sale, mortgage, security agreement, or  
4 trust agreement with respect to a project by appropriate judicial proceeding or  
5 by taking possession of by agent or otherwise and operating a project and  
6 collecting rents or other consideration and applying the same in accordance with  
7 the trust agreement;

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

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

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

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

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

29 (b) The bonds issued by the authority do not constitute an indebtedness or other  
30 liability of the state or of a political subdivision of the state, but shall be payable solely  
31 from the income and receipts or other funds or property of the authority. The authority  
32 may not pledge the faith or credit of the state or of a political subdivision of the state,

1       except the authority, to the payment of a bond, and the issuance of a bond by the  
2 authority does not directly, indirectly, or contingently obligate the state or a political  
3 subdivision of the state to apply money from, levy, or pledge any form of taxation to the  
4 payment of the bond.

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

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

19           Sec. 30.17.260. EXEMPTION FROM TAXATION. (a) The real and personal  
20 property of the authority and its assets, income, and receipts are declared to be the  
21 property of a political subdivision of the state and are exempt from taxes and special  
22 assessments of the state or a political subdivision of the state. Bonds of the authority are  
23 declared to be issued by a political subdivision of the state and for an essential public  
24 and governmental purpose and to be a public instrumentality, and the bonds, the interest  
25 on them, the income from them, and the transfer of the bonds, and all assets, income,  
26 and receipts pledged to pay or secure the payment of the bonds or interest on them shall  
27 at all times be exempt from taxation by or under the authority of the state, except for  
28 inheritance and estate taxes and taxes on transfers by or in contemplation of death.

29           (b) This section does not affect or limit an exemption from license fees, property  
30 taxes, or excise, income, or other taxes, provided under any other law, nor does it create  
31 a tax exemption with respect to the interest of any business enterprise or other person,  
32 other than the authority, in any property, assets, income, receipts, project, or lease

1 whether or not financed under this chapter.

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

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

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

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

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

29 (1) may not be purchased unless

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

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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 induce the originator to make the loan;

(5) 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,

1 default remedies, acceleration of maturity, secondary liens, and other matters the  
2 authority prescribes; and

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

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

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

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

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

#### 22 ARTICLE 4. MISCELLANEOUS PROVISIONS.

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

27 Sec. 30.17.310. EQUAL USE AND ACCESS. If the authority owns, leases, or  
28 otherwise operates or controls, or participates in the financing of, a facility, the authority  
29 shall, to the maximum extent possible, provide for equal rights of access to and use of  
30 the facility by members of the public and other persons or entities upon terms and  
31 conditions that are fair and reasonable. However, this section does not prevent the  
32 authority from establishing fair and reasonable limitations on use of or access to a facility

1 to the extent the limitations are necessary in connection with the nature of the facility or  
2 the demand for use of or access to the facility. This section applies to the establishment  
3 of rates and rate structures as well as all other factors, terms, and conditions relating to  
4 the use of or access to the facility, including without limitation the design and location  
5 of the facility. The members of the authority shall make a written finding concerning  
6 compliance of the facility with this section. A written finding signed by a majority of  
7 the authority members complies with the provisions of this section and shall constitute  
8 a conclusive presumption of compliance.

9 Sec. 30.17.320. SUCCESSION. The authority is dissolved one year after the  
10 date of incorporation of a municipality, other than a second class city, that has an area  
11 coterminous with or inclusive of the area formerly encompassed by the Adak Naval  
12 Air Facility. Upon dissolution of the authority, the municipality succeeds to the assets  
13 and liabilities of the authority and succeeds to the rights, powers, and duties of the  
14 authority under contracts to which the authority is a party on the date of dissolution.  
15 Except for this section, this chapter is not applicable to a municipality that succeeds  
16 the authority.

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

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

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

1 is approved by a majority of the members who are not barred from voting under this  
2 section is a valid action of the authority for all purposes.

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

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

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

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

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

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

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

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

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

32 (2) present to the legislature by January 10 of each year a complete

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

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

17 ARTICLE 5. GENERAL PROVISIONS.

18 Sec. 30.17.900. DEFINITIONS. In this chapter,

19 (1) "authority" means the Adak Reuse Authority created by this chapter;  
20 (2) "bonds" means bonds or other obligations issued under this chapter;  
21 (3) "business enterprise" means a single proprietorship, cooperative,  
22 corporation, firm, partnership, or other association of persons organized in any manner,  
23 for any credit worthy business purpose;

24 (4) "facility" means real property, whether above or below mean high  
25 water, or an interest in it, and the buildings, improvements, and structures constructed  
26 or to be constructed on or in it, and may include fixtures, machinery, and equipment on  
27 it or in it, and tangible personal property, regardless of whether the tangible personal  
28 property is attached to or connected with real property, if the owner has agreed not to  
29 remove the tangible personal property permanently from the state for the period the  
30 authority sets; "facility" does not include work in process or stock in trade;

31 (5) "federal agency" means the United States and any officer, department,  
32 agency or instrumentality of the United States;

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

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

8 (8) "project" means

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

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

17 (C) commercial activity by a small enterprise;

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

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

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

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

29 (A) use or occupy a project; or

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

31 (10) "real property" means land and rights and interests in land, including  
32 interests less than full title such as easements, uses, leases, and licenses.

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

4/23/90

Larry-

Copy of final JCS  
CSHB 466 (Fin)  
incorporating Sen. Rieger's  
amendment. Note  
the drafter's advisory  
memo. Copy to Sen.  
Rieger, as well. Please  
advise.

Kathy

2018

# 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

April 23, 1996

**SUBJECT:** Adak Reuse Authority (SCS CSHB 466(FIN))

**TO:** Senator Steve Frank

**FROM:** Terri Lauterbach  
Legislative Counsel *Terri Lauterbach*

Enclosed is the SCS requested by your staff for this bill.

Because of other provisions in the bill relating to the authority's broad power to enter into contracts and trust agreements, I would recommend that the new language that was added by the Senate Finance Committee be preceded by the following phrase: "Notwithstanding other provisions of this chapter, the authority may not..." (See page 5, line 24.) The addition of this phrase would help clarify the relationship between the committee's new prohibition and other sections of the bill.

Please let me know if you want an amendment, a new SCS, or other assistance.

TML:klb  
96-300.klb

Enclosure

*Kathy,  
Sen. Rieger is fine w/ the  
drafter's language being  
added as a new SCS!  
Thanks,  
Betty*

SENATE CS FOR CS FOR HOUSE BILL NO. 466(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES MOSES, Mulder

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  
8 corporate and is an instrumentality of the Department of Commerce and Economic  
9 Development, but with separate and independent legal existence.

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

- 12 (1) the commissioner of commerce and economic development;
- 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  
3 Settlement Act).

4 (b) If a member described in (a)(1) or (2) of this section is unable to attend  
5 a 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  
8 at 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  
15 authority from among its other members. The vice-chair presides over all meetings  
16 in the absence of the chair and has other duties that the authority may prescribe.

17 Sec. 30.17.040. MEETINGS, COMPENSATION, AND EMPLOYEES. (a)  
18 A majority of the members of the authority constitutes a quorum for the transaction  
19 of business or the exercise of a power or function at a meeting of the authority.  
20 Action may be taken and motions and resolutions may be adopted by the authority  
21 only upon an affirmative vote of a majority of the full membership of the authority.  
22 The authority may meet and transact business by electronic media if (1) public notice  
23 of the time and locations where the meeting will be held by electronic media has been  
24 given in the same manner as if the meeting were held in a single location; (2)  
25 participants and members of the public in attendance can hear and have the same right  
26 to participate in the meeting as if the meeting were conducted in person; and (3) copies  
27 of pertinent reference materials, statutes, regulations, and audio-visual materials are  
28 reasonably available to participants and to the public. A meeting by electronic media  
29 as provided in this subsection has the same legal effect as a meeting in person.

30 (b) The public members of the authority are entitled to \$100 compensation for  
31 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 not hire employees but may contract with individuals  
4 or entities to serve in capacities it considers advisable, including service as an  
5 executive director, executive secretary, professional advisor, legal counsel, technical  
6 expert, agent, and in other positions. A contractor hired under this subsection is not  
7 a state employee for any purpose. A contract under this subsection may not exceed  
8 two years' duration.

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

## 11 ARTICLE 2. PURPOSE AND GENERAL POWERS.

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

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

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

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

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

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

30 (1) sue and be sued;

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

1 (3) adopt and amend bylaws for its organization and internal  
2 management;

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

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

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

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

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

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

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

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

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

28 (13) charge fees or other forms of remuneration for the use or  
29 possession of the projects described in (11) of this section in accordance with the  
30 agreements described in (12) of this section, other agreements pertaining to the  
31 projects, covenants, or representations made in bond documents pertaining to the

1 projects, or regulations of the authority pertaining to the projects.

2 Sec. 30.17.120. ADMINISTRATIVE PROCEDURE. The provisions of the  
3 Administrative Procedure Act regarding the adoption of regulations under  
4 AS 44.62.040 - 44.62.320 apply to the authority.

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

9 (b) The authority does not have powers of

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

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

24 (d) The authority may not enter into a trust indenture or contract that has the  
25 effect of precluding the transfer of the assets and liabilities of the authority to a  
26 successor.

### 27 ARTICLE 3. PROJECTS; BONDS.

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

- 31 (1) project and its development under this chapter will be economically

1 advantageous to the state and the general public welfare and will contribute to the  
2 economic growth of the state;

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

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

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

14 (c) The authority may not issue bonds to finance or assist in financing a  
15 project unless the authority has received legislative approval to do so for a specified  
16 project.

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

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

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

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

27 (b) Bonds issued under this chapter shall be authorized by resolution of the  
28 authority, and shall be dated and shall mature as the resolution may provide, except  
29 that a bond may not mature more than 40 years from the date of its issuance. The  
30 bonds shall bear interest at the rate or rates, be in the denominations, be in the form,  
31 either coupon or registered, carry the registration privileges, be executed in the manner,

1 be payable in the medium of payment, at the place or places, and be subject to the  
2 terms of redemption that the resolution or a subsequent resolution may provide.

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

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

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

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

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

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

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

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

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

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

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

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

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

28 Sec. 30.17.230. VALIDITY OF PLEDGE. (a) It is the intent of the  
29 legislature that a pledge made in respect of bonds issued under this chapter is  
30 perfected, valid, and binding from the time the pledge is made; that the money or  
31 property so pledged and thereafter received by the authority is immediately subject to

1 the lien of the pledge without physical delivery or further act; and that the lien of the  
2 pledge is valid and binding against all parties having claims of any kind in tort,  
3 contract, or otherwise against the authority whether or not the parties have notice.  
4 Neither the resolution, trust agreement, nor any other instrument by which a pledge is  
5 created need be recorded or filed under the provisions of the Uniform Commercial  
6 Code to be perfected or to be valid, binding, or effective against the parties.

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

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

13 (b) The bonds issued by the authority do not constitute an indebtedness or  
14 other liability of the state or of a political subdivision of the state, but shall be payable  
15 solely from the income and receipts or other funds or property of the authority. The  
16 authority may not pledge the faith or credit of the state or of a political subdivision of  
17 the state, except the authority, to the payment of a bond, and the issuance of a bond  
18 by the authority does not directly, indirectly, or contingently obligate the state or a  
19 political subdivision of the state to apply money from, levy, or pledge any form of  
20 taxation to the payment of the bond.

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

24 Sec. 30.17.250. PLEDGE OF THE STATE. The state pledges to and agrees  
25 with the holders of bonds issued under this chapter and with the federal agency that  
26 loans or contributes funds in respect to a project, that the state will not limit or alter  
27 the rights and powers vested in the authority by this chapter to fulfill the terms of a  
28 contract made by the authority with the holders or federal agency, or in any way  
29 impair the rights and remedies of the holders until the bonds, together with the interest  
30 on them with interest on unpaid installments of interest, and all costs and expenses in  
31 connection with an action or proceeding by or on behalf of the holders, are fully met

1 and discharged. The authority may include this pledge and agreement of the state,  
2 insofar as it refers to holders of bonds of the authority, in a contract with the holders,  
3 and insofar as it relates to a federal agency, in a contract with the federal agency.

4 Sec. 30.17.260. EXEMPTION FROM TAXATION. (a) The real and personal  
5 property of the authority and its assets, income, and receipts are declared to be the  
6 property of a political subdivision of the state and are exempt from taxes and special  
7 assessments of the state or a political subdivision of the state. Bonds of the authority  
8 are declared to be issued by a political subdivision of the state and for an essential  
9 public and governmental purpose and to be a public instrumentality, and the bonds, the  
10 interest on them, the income from them, and the transfer of the bonds, and all assets,  
11 income, and receipts pledged to pay or secure the payment of the bonds or interest on  
12 them shall at all times be exempt from taxation by or under the authority of the state,  
13 except for inheritance and estate taxes and taxes on transfers by or in contemplation  
14 of death.

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

20 Sec. 30.17.270. BONDS LEGAL INVESTMENTS FOR FIDUCIARIES. The  
21 bonds of the authority are securities in which public officers and bodies of the state;  
22 municipalities and municipal subdivisions; insurance companies and associations and  
23 other persons carrying on an insurance business; banks, bankers, trust companies,  
24 savings banks, savings associations, including savings and loan associations and  
25 building and loan associations, investment companies, and other persons carrying on  
26 banking business; administrators, guardians, executors, trustees, and other fiduciaries;  
27 and other persons who are now or may afterward be authorized to invest in bonds or  
28 other obligations of the state, may properly and legally invest money, including capital  
29 in their control or belonging to them. Notwithstanding any other provisions of law,  
30 the bonds of the authority are also securities that may be deposited with and may be  
31 received by public officers and bodies of the state and municipalities and municipal

1 subdivisions for any purpose for which the deposit of bonds or other obligations of the  
2 state is now or may afterward be authorized.

3 Sec. 30.17.280. ENTERPRISE DEVELOPMENT ACCOUNT. (a) The  
4 enterprise development account is established in the authority. The enterprise  
5 development account is a trust fund for the uses and purposes of this chapter. The  
6 enterprise development account consists of money or assets appropriated or transferred  
7 to the authority and other money or assets deposited in it by the authority.

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

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

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

16 (1) may not be purchased unless

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

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

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

29 (2) may not be purchased if the loan to be purchased exceeds the cost  
30 of the project or 75 percent of the appraised value of the project, whichever is less,  
31 unless the amount of the loan in excess of this limit is federally insured or guaranteed

1 or is insured by a qualified mortgage insurance company;

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

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

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

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

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

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

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

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

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

30 (f) The authority may enter into agreements as to the use of the money in the  
31 enterprise development account including trust or custody arrangements with banks or

1 trust companies. It may also pledge, assign, or grant the agreement, interests under  
2 an agreement, or interests in the enterprise development account as may be necessary  
3 or appropriate to provide for payment and security for bonds of the authority issued  
4 to finance the purchase by the authority of loans for projects.

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

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

11 ARTICLE 4. MISCELLANEOUS PROVISIONS.

12 Sec. 30.17.300. AUDIT. The legislative auditor shall audit or shall cause to  
13 have audited annually the financial records of the authority. The legislative auditor  
14 may prescribe the form and content of the financial records of the authority and shall  
15 have access to these records at reasonable times.

16 Sec. 30.17.310. EQUAL USE AND ACCESS. If the authority owns, leases,  
17 or otherwise operates or controls, or participates in the financing of, a facility, the  
18 authority shall, to the maximum extent possible, provide for equal rights of access to  
19 and use of the facility by members of the public and other persons or entities upon  
20 terms and conditions that are fair and reasonable. However, this section does not  
21 prevent the authority from establishing fair and reasonable limitations on use of or  
22 access to a facility to the extent the limitations are necessary in connection with the  
23 nature of the facility or the demand for use of or access to the facility. This section  
24 applies to the establishment of rates and rate structures as well as all other factors,  
25 terms, and conditions relating to the use of or access to the facility, including without  
26 limitation the design and location of the facility. The members of the authority shall  
27 make a written finding concerning compliance of the facility with this section. A  
28 written finding signed by a majority of the authority members complies with the  
29 provisions of this section and shall constitute a conclusive presumption of compliance.

30 Sec. 30.17.320. SUCCESSION. The authority is dissolved one year after the  
31 date of incorporation of a municipality, other than a second class city, that has an area

1 coterminous with or inclusive of the area formerly encompassed by the Adak Naval  
2 Air Facility. Upon dissolution of the authority, the municipality succeeds to the assets  
3 and liabilities of the authority and succeeds to the rights, powers, and duties of the  
4 authority under contracts to which the authority is a party on the date of dissolution.  
5 Except for this section, this chapter is not applicable to a municipality that succeeds  
6 the authority.

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

12 (b) A lease with respect to a project may provide for two or more lessees with  
13 the legal relationship between themselves and the authority that the authority may  
14 approve, including provisions to the effect that the obligations of the lessees under the  
15 lease for payment of rental or otherwise between themselves and the authority are  
16 several, joint, or joint and several and that the lessees lease the project as  
17 tenants-in-common, or otherwise.

18 Sec. 30.17.340. CONFLICTS OF INTEREST. (a) A member of the authority  
19 may not vote on a matter relating to a lease or contract entered into or to be entered into  
20 by the authority under this chapter if the member is a party to the lease or contract or  
21 has a direct ownership or equity interest in a firm, partnership, corporation, or association  
22 that may be a party to the contract or lease. A matter relating to a lease or contract that  
23 is approved by a majority of the members who are not barred from voting under this  
24 section is a valid action of the authority for all purposes.

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

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

1 chapter.

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

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

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

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

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

18 (B) materially impairing the operations or financial integrity of  
19 the authority; or

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

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

27 Sec. 30.17.370. REPORTS AND PUBLICATIONS. By January 10 of each  
28 year, the authority shall publish a report for distribution to the governor, legislature, and  
29 the public. The authority shall notify the legislature that the report is available. The  
30 report shall be written in easily understandable language. The report must include a  
31 financial statement audited by an independent outside auditor, a statement of the  
32 authority's investments under this chapter, including an appraisal of the investments at

1 market value, a comparison of the authority's performance with the goals of the  
2 authority, and other information the members of the authority believe would be of  
3 interest to the governor, the legislature, and the public. The annual income statement and  
4 balance sheet of the authority shall be published in at least one newspaper circulating in  
5 each judicial district. The authority may also publish other reports it considers desirable  
6 to carry out its purposes.

7 ARTICLE 5. GENERAL PROVISIONS.

8 Sec. 30.17.900. DEFINITIONS. In this chapter,

9 (1) "authority" means the Adak Reuse Authority created by this chapter;

10 (2) "bonds" means bonds or other obligations issued under this chapter;

11 (3) "business enterprise" means a single proprietorship, cooperative,  
12 corporation, firm, partnership, or other association of persons organized in any manner,  
13 for any credit worthy business purpose;

14 (4) "facility" means real property, whether above or below mean high  
15 water, or an interest in it, and the building, improvements, and structures constructed  
16 or to be constructed on or in it, and may include fixtures, machinery, and equipment on  
17 it or in it, and tangible personal property, regardless of whether the tangible personal  
18 property is attached to or connected with real property, if the owner has agreed not to  
19 remove the tangible personal property permanently from the state for the period the  
20 authority sets; "facility" does not include work in process or stock in trade;

21 (5) "federal agency" means the United States and any officer, department,  
22 agency or instrumentality of the United States;

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

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

30 (8) "project" means

31 (A) a facility used or intended for use in connection with making,  
32 processing, preparing, transporting, or producing goods, products, or substances

1 of any kind or nature or in connection with developing or using a natural  
2 resource, or extracting, smelting, transporting, converting, assembling, or  
3 producing minerals, raw materials, chemicals, compounds, alloys, fibers,  
4 commodities and materials, products, or substances of any kind or nature;

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

7 (C) commercial activity by a small enterprise;

8 (D) a facility demonstrating technological advances of new  
9 methods and procedures and prototype commercial applications for the  
10 exploration, development, production, transportation, conversion, and use of  
11 energy resources;

12 (E) infrastructure for a new tourism destination facility or for the  
13 expansion of a tourism destination facility;

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

17 (9) "project applicant" means a business enterprise or enterprises  
18 proposing to

19 (A) use or occupy a project; or

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

21 (10) "real property" means land and rights and interests in land, including  
22 interests less than full title such as easements, uses, leases, and licenses.

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

# FISCAL NOTE

No. 3  
 Bill Version: SCS CS HB 466(CRA)  
 (S) Publish Date: 4/16/96

STATE OF ALASKA  
 1996 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
 Title: An Act establishing the Adak Reuse Authority  
 Sponsor: Rep. Moses  
 Requestor: Senate CRA

Department: Commerce and Economic Development  
 BRU: Adak Reuse Authority  
 Component: Adak Reuse Authority

COMPONENT SERIAL NO. \_\_\_\_\_ New

Expenditures/Revenues	(Thousands of Dollars)					
	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
<b>OPERATING EXPENDITURES</b>						
PERSONAL SERVICES						
TRAVEL	40.0	44.0				
CONTRACTUAL	219.0	277.1				
SUPPLIES	6.0	6.5				
EQUIPMENT	16.0	0.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	281.0	327.6	0.0	0.0	0.0	0.0
<b>CAPITAL EXPENDITURES</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CHANGE IN REVENUES</b>						

FUND SOURCE	(Thousands of Dollars)					
	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
1002 Federal Receipts	100.0	100.0				
1003 GF Match	33.3	33.3				
1004 General Fund	148.2	194.3	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	281.5	327.6	0.0	0.0	0.0	0.0

Estimate of any current year (FY 96) cost: \$ 0.0

POSITIONS	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

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

See the attached analysis.

Prepared by: Guy Bell, Director Phone: (907) 465-2505  
 Division: Administrative Services Date: April 16, 1996  
 Approved by Commissioner: William L. Hensley Date: 4-16-96  
 Agency: Commerce and Economic Development

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# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. SCS CS HB466 (CRA)

ANALYSIS: (continued)

## DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT Fiscal Note Calculations for

This fiscal note covers the cost of core management staff for the Adak Reuse Authority, consisting of an Executive Director and Administrative Assistant. The Senate Community and Regional Affairs committee substitute prohibits the Authority from hiring employees, stating that instead the Authority should contract for professional services, including those of an Executive Director. Therefore all staff support costs are included in contractual services.

Any staff to operate facilities and deliver services would be funded entirely with charges for these services and facilities. The analysis assumes that the Authority management staff would become self-supporting from lease revenues or other service contracts after a two-year period. The analysis also assumes that the Department of Defense, Office of Economic Adjustment will provide at least \$100.0 per year for the first two years.

1. Personal Services

No cost since the Authority is not authorized to hire staff.

2. Travel

Travel costs are based on Authority board meeting costs and 2 trips per month between Adak and Anchorage lasting three days each.

3. Contractual Services

(a) Contracts for Executive Director (\$112.5) and Administrative Support (\$53.6).

First year cost is for nine months.

(b) Contractual also includes \$50.0 per year for legal services, real estate, engineering and other professional services.

(c) Contractual also includes funding for phones, advertising and other overhead costs.

(d) Office space will be provided at no charge by the Navy or in a facility which the LRA will own.

Utilities will be provided by the Navy at no charge in the first year, and thereafter purchased by the LRA.

4. Supplies

Estimated cost of supplies for the board, management and support staff.

5. Equipment

Computers, copying machine, and other equipment for the Authority.

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO: SCS CS HB 466 (CRA)

Revision Date: 4/17/96  
Title: An Act establishing the Adak Reuse Authority.  
Sponsor: Rep. Moses  
Requestor: Senate C&RA

Dept. Affected: Community & Regional Affairs  
BRU: Adak Reuse Authority  
Component: none  
COMPONENT SERIAL NO. \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

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

<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
-----------------------------	------------	------------	------------	------------	------------	------------

CHANGE IN REVENUES ( ) Revenue Code						
--	--	--	--	--	--	--

**FUNDING: (Thousands of Dollars)**

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

Estimate of current year (FY 96) impact: \$ none

**POSITIONS:**

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

ANALYSIS: (Attach a separate page if necessary.)

This bill will have no fiscal impact on the department.

Prepared By: Remond Henderson *Remond Henderson* Phone: 465-4708  
Division: Director, Administrative Services Date: 4/17/96  
Approved by Commissioner: Mike Irwin *Mike Irwin* Date: 4/17/96  
Agency: Mike Irwin, Dept. of Community & Reg. Affairs

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FISCAL NOTE

Revision Date: March 12, 1996 Dept. Affected: Community & Regional Affairs  
Title: An Act relating to Reuse of Adak Naval Air Facility BRU: Adak Reuse Authority  
Sponsor: Rep. Mozas Component none  
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	327.5	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE FUND SOURCE:

--	--	--	--	--	--	--

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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COMMITTEE COPY

*House Version  
Creates  
the authority  
in  
DCRRA*

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.

SENATE FINANCE COMMITTEE

**HB 466 ADAK REUSE AUTHORITY**

PLEASE SIGN IN BELOW

NAME: Chris Gates

Co./DEPT./TITLE: Pre Alert Co. PHONE: 907 561-4300

ADDRESS: \_\_\_\_\_ ZIP: \_\_\_\_\_

DO YOU WISH TO TESTIFY?  YES  NO  RESPOND TO QUESTIONS

NAME: \_\_\_\_\_

Co./DEPT./TITLE: \_\_\_\_\_ PHONE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ ZIP: \_\_\_\_\_

DO YOU WISH TO TESTIFY?  YES  NO  RESPOND TO QUESTIONS

NAME: \_\_\_\_\_

Co./DEPT./TITLE: \_\_\_\_\_ PHONE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ ZIP: \_\_\_\_\_

DO YOU WISH TO TESTIFY?  YES  NO  RESPOND TO QUESTIONS

NAME: \_\_\_\_\_

Co./DEPT./TITLE: \_\_\_\_\_ PHONE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ ZIP: \_\_\_\_\_

DO YOU WISH TO TESTIFY?  YES  NO  RESPOND TO QUESTIONS

## HIGHLIGHTS OF SCSCSHB 466 (CRA) Adak Reuse Authority

1. Establishes a 7-member board under the Commerce & Economic Development Dept., with four public seats, two of which must be filled by residents from the Aleutian region (pg. 1, line 15). It's possible that all four public members could come from the Aleutian region.
2. Executive employees must be contracted. as well as all other professional staff. Contractors are not state employees under this bill (pg. 3, line 2).
3. Board action must be by an affirmative vote of a majority of the full membership of the board. No tie votes will be broken by a governor's review (pg. 2, line 19).
4. The Authority may issue revenue bonds (pg. 4, line 7), which must first be approved by the legislature (pg. 6, line 4). Bonds of the Authority are not an obligation of the state (pg. 8, line 29). HB 466 does not address any potential moral obligation of the state. The Authority must work through the state bond committee (pg. 7, line 1).
5. The Authority is subject to the Administrative Procedure Act (pg. 4, line 28).
6. Limitations of Authority power are itemized (pg. 5, line 3). The Authority may not accept a federal property transfer unless sufficient federal or other money is available to manage it for two years (pg. 5, line 10). The director of OMB has oversight determination as to what constitutes sufficient money available (pg. 5, line 14).
7. Bond issuances may be secured by trust indentures or trust agreements with corporate trustees or the like (pg. 7, line 12).
8. Authority property is exempt from taxation; its bonds are also tax exempt (pg. 9, line 19).
9. Commercial entities are not exempt from license fees, income, excise, or other taxation (pg. 9, line 29).

10. Establishes an Enterprise Development Account, a trust fund for the Authority (pg. 10, line 16).
11. Potential project applicants in loan participation circumstances, must be current in their state tax obligations (pg. 11, line 2).
12. Annual financial audit by the legislative auditor (pg.12, line 23).
13. Succession - allows for the integration of the Authority into a municipality at Adak, within a year of the incorporation of the municipality (pg. 13, line 9). The municipality would succeed to all rights, duties, powers, obligations, etc. of the Authority (pg. 13, line12).
14. The Authority must comply with the Executive Budget Act (pg. 14, line 17).
15. Annual report to the legislature, governor, and public (pg. 15, line 5).
16. Definition of terms used in the bill (pg. 15, line 18).
17. Staggered terms of office for the board (pg. 17, line 1).
18. Asset Stripping - does not unduly restrict the Authority from responsibly managing assets, including selling off unneeded assets, to raise operating capital. Retaining unnecessary assets on Adak could generate mothballing expenses, and allow useable items to deteriorate.
19. Adak Reuse Plan - is being developed by a contractor to the Community & Regional Affairs Department, and should be available in late May. It is this plan that the Authority will begin to implement.

If there are questions, please call Tim Benintendi at 465-3764.

# Alaska State Legislature

## Representative Carl E. Moses

CHAIRMAN  
HOUSE RULES COMMITTEE

VICE-CHAIRMAN  
HOUSE SPECIAL COMMITTEE ON FISHERIES

MEMBER  
HOUSE SPECIAL COMMITTEE ON  
ECONOMIC DEVELOPMENT

COMMITTEE ON COMMITTEES

FINANCE SUBCOMMITTEES  
TRANSPORTATION AND PUBLIC FACILITIES  
FISH & GAME



**SESSION:**  
STATE CAPITOL BUILDING • 22-  
JUNEAU, ALASKA 99801-1132  
PHONE (907) 465-4451  
FAX (907) 465-3445

**INTERIM:**  
716 W. 4TH AVE. #630  
ANCHORAGE, ALASKA 99501-2133  
PHONE (907) 258-8167  
FAX (907) 258-3468

### SPONSOR SUMMARY

#### SCSHB 466 (CRA)

SCSHB 466 (CRA) 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 developing and implementing a reuse plan. Since Adak has no local governmental entity, the need for a reuse authority is doubly important.

The bill establishes a seven-member authority as an instrumentality of the Commerce and Economic Development Department. It calls for membership consisting of the Commissioner of DCED, two other department heads selected by the governor, and four public members, appointed by the governor. Two of these public members must be residents of the Aleutian region.

The Adak Reuse Authority would manage a comprehensive redevelopment plan in a manner which would attract business, create jobs, and advance the general prosperity and economic welfare of the region, and the state. The authority would be integrated into a municipality when one is eventually formed, and go out of business.

This authority would have the powers to perform administrative duties, enter into contracts, operate enterprises, receive grants and other funds, and disburse funds. The authority may not issue bonds to finance a project unless it has received prior legislative approval.

ADAK • AKUTAN • AMCHITKA • ATKA • ATTU • BELKOFSKI • CHERNOFSKI • CHIGNIK • CHIGNIK LAGOON • CHIGNIK LAKE • COLD BAY • DUTCH HARBOR  
EGEGIK • FALSE PASS • IGIUGIG • ILIAMNA • IVANOF BAY • KING COVE • KING SALMON • KOKHANOK • KOKHANOK BAY • LEVELOCK • NAKNEK  
NELSON LAGOON • NEWHALEN • NIKOLSKI • NONDALTON • PEDRO BAY • PERRYVILLE • PILOT POINT • PORT ALSWORTH • PORT HEIDEN • PORT MOLLER  
SAND POINT • SHEENYA • SQUAW HARBOR • SOUTH NAKNEK • ST. GEORGE ISLAND • ST. PAUL ISLAND • UGASHIK • UNALASKA • UNGA

# Alaska State Legislature

## Representative Carl E. Moses

CHAIRMAN  
HOUSE RULES COMMITTEE

VICE-CHAIRMAN  
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ECONOMIC DEVELOPMENT

COMMITTEE ON COMMITTEES

FINANCE SUBCOMMITTEES  
TRANSPORTATION AND PUBLIC FACILITIES  
FISH & GAME



**SESSION:**  
STATE CAPITOL BUILDING #204  
JUNEAU, ALASKA 99801-1182  
PHONE: (907) 465-4451  
FAX: (907) 465-3445

**INTERIM:**  
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ANCHORAGE, ALASKA 99501-2135  
PHONE: (907) 258-8167  
FAX: (907) 258-3468

April 16, 1996

Mr. Trefon Angasan  
Vice-President, Corporate Affairs  
Bristol Bay Native Corporation  
Box 100220  
Anchorage, AK 99510-0220

Dear Trefon:

I have received your letter of April 11th regarding House Bill 466, the measure to establish an Adak Reuse Authority. I truly appreciate your correspondence on this issue.

As you correctly observe, I am the representative for all of House District 40, and do certainly maintain a considerable emphasis on rural Alaskan matters. Occasionally, situations arise in which I must exercise my best judgement, and risk the consternation of one element of the district's constituency or another. It is unfortunate, but I have never regretted doing what I thought was the absolute best for the entire district, and where relevant, the district and our state.

Within the past year, as the Adak issue has risen to the top of the district priorities, I have spent considerable time, energy, and staff resources in evaluating all possible scenarios for the best and most fruitful plan for Adak. I believe that the provisions of House Bill 466 afford the best possible opportunities for the redevelopment of Adak, given the playing field we have. Issues raised in flyers circulated in the Aleutian region have been thoroughly reviewed openly by my office and by various legislative committees, and simply do not pose the threats as perceived by the Aleut Corporation.

Does HB 466 solve all of the problems? Of course not. Nor does any other plan that has been put forth in the past year, including the various plans offered by the Aleut Corporation. You must remember that there are other interests in the region in addition to the Aleut Corporation interests, and there are as many Aleuts in District 40 that are not shareholders of the Aleut Corporation, as there are shareholders. I further submit there are hundreds of Aleut Corporation shareholders that support HB 466.

An initial degree of state involvement provides for a confidence level and a measure of consistency that the business community generally finds predictable and workable. Varying messages and revised proposals such as have come from the Aleut interests in the past several months have not inspired that general level of confidence. I regret that, but that is the circumstance which has evolved.

The letter from Senator Stevens you mentioned encourages us to look at the latest Aleut proposal, which we have done. We have maintained open communications with the Aleut interests all along, and I am sure they will confirm that fact. Any non-profit entity will experience many of the same difficulties as the authority under HB 466. I see no genuine advantage to that approach. I do see a danger that it might put a reuse authority into too exclusive of hands. You should be aware that the Stevens letter, and two previous letters from the senator support HB 466 also, and encourage us to try to find a common game plan.

That effort has been difficult. Those representing the Aleut Corporation have repeatedly attempted to have us change our bill to fit their priorities, however, they have never entertained our suggestions that they modify their plan or their tactics. That approach is simply too rigid and unrealistic. Let me mention too, that I have heard from many Aleuts who do not share the vision nor the tactical direction of the Aleut community's pursuit of Adak. It is not possible for me to respond to all Aleut interests as diverse as they are, nor do I share the negative image that exists within the corporation regarding the state's role in initiating a viable commercial economy at Adak.

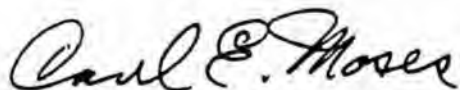
Our bill allows for Aleut participation in the development of Adak. It does not unduly restrict the authority's ability to manage assets as seen fit. The annoyingly short time frame for the Navy's

withdrawal necessitates flexibility for the authority in making decisions of benefit to the conversion process, and the eventual formation of a municipality. In short, House Bill 466 is practical. It's austere, inclusive, and responsive to the conditions we find with the Adak opportunity.

The economic future of Adak as a successful self-supporting community will require the cooperation of all parties involved, including the help of the state and federal governments. This would be difficult or impossible to accomplish if Adak were under the complete control of any one entity.

That this bill, my motives, and state participation in the Adak project are the subject of suspicion and misinformation, is unfortunate. Many aspects of this effort are not as simple as they may seem. I can assure you that I remain totally dedicated to a viable and successful conversion process for Adak, one that allows for equal opportunity for all. I stand behind this legislative effort. I hope you will contact me with any further thoughts or questions on this important issue.

Sincerely,



Representative Carl E. Moses  
House District 40

c: Governor Knowles  
Senator Pearce  
Speaker Phillips

# 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

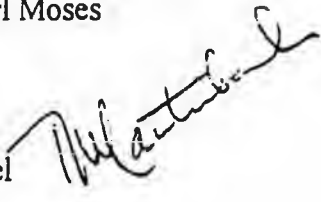
130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

## 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

# STATE OF ALASKA

## DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR

P.O. BOX 112100  
JUNEAU, ALASKA 99811-2100  
PHONE: (907) 465-4700  
FAX: (907) 465-2948

333 W. 4TH AVENUE, SUITE 220  
ANCHORAGE, ALASKA 99501-2241  
PHONE: (907) 269-4500  
FAX: (907) 269-4520

March 21, 1996

Representative Carl Moses  
Alaska State Legislature  
State Capitol Rm. 204  
Juneau, Alaska 99801-1182

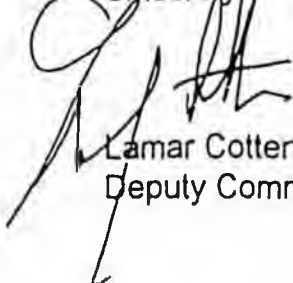
Dear Mr. Moses:

Per our discussion, the Knowles administration supports HB-466 (An Act establishing the Adak Reuse Authority). The bill:

1. Establishes a board of seven members with at least two public members from the Aleutian region.
2. Provides that the authority may not assume any assets at Adak unless there are sufficient federal or other funds to operate the facility at a minimal level for two years after date of transfer. Such a determination must be made by the Director of OMB.
3. Allows for integration of the authority into a municipality within a year of creation of a municipality. After such an integration, the authority would cease to exist.
4. Requires legislative approval, in advance, of any bond financing.
5. Is consistent with the desires of Senator Stevens (letter dated 3/14/96) and others to insure an orderly process to allow for potential reuses.

As we have discussed, the Adak Local Reuse Authority (Planning) will have a conceptual plan completed in the latter part of May. That plan will entail an analysis of reuse possibilities and cost to operate the needed facilities and support services such as docks, airports, utilities and other associated cost.

Sincerely,



Lamar Cotten  
Deputy Commissioner



# Reeve Aleutian Airways



February 8, 1996

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

via FAX (907)485-3445

Re: House Bill No. 466  
An Act Establishing the Adak Reuse Authority

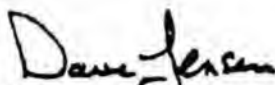
Dear Representative Moses:

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 objectives 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,

  
David A. Jensen  
Vice President of Administration

**CITY OF UNALASKA**

P.O. BOX 610  
UNALASKA, ALASKA 99685-0610  
(907) 681-1251 FAX (907) 681-1417



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

# **ALEUTIANS EAST BOROUGH**

SERVING THE COMMUNITIES OF

■ KING COVE ■ SAND POINT ■ AKUTAN ■ COLD BAY ■ FALSE PASS ■ NELSON LAGOON

April 8, 1986

Senator John Torgerson, Chairman  
Community & Regional Affairs Committee  
Juneau

RE Support for HB 486

Dear Senator Torgerson:

I recently returned from a 2 day visit to Adak. Having finally had the opportunity to see what the Navy is abandoning, it reaffirms the Aleutians East Borough's support for HB 486 introduced by Rep. Moses. The Adak NAF is essentially a deserted city of 6,000 people, equipped with a major airport, superb harbor facilities, and all the amenities you would expect, including paved roads, recreation facilities, schools, hospital, etc. Should we be able to develop a viable reuse plan for Adak, the gain to Alaska will be substantial. However, there is also the potential that nothing will come from Adak, or even worse, the State would become financially involved without any positive benefit.

HB 486 is crafted to

- limit the State's financial liability in developing reuse of Adak;
- provide financing opportunities without obligation to the State of Alaska for repayment;
- provide for extinguishment for the local reuse authority in the event a first class city or borough is established.

Rep. Moses is diligently shepherding this important bill through the legislative process without the unanimous support of his constituents. It is important to remember that the intent of HB 486

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BOROUGH ADMINISTRATOR  
1600 A STREET, SUITE 103  
ANCHORAGE, ALASKA 99501-5148  
(907) 274-7555  
(907) 278-7589 FAX

FINANCE DIRECTOR  
P.O. BOX 48  
KING COVE, ALASKA 99612  
(907) 497-2588  
(907) 497-2388 FAX

Sen. Torgerson  
Page two

is to find a productive use of publicly funded assets for the State of Alaska without committing the State to a long term financial obligation. HB 488, as sponsored by Rep. Moses is the best vehicle to accomplish this objective.

Sincerely,



Robert S. Juettner  
Administrator

RSJ:emn

cc: Rep. Carl E. Moses



# Aleutian Pribilof Island Community Development Association

Gilda Shellkoff, Chair • Laurence Lestenkof, Vice Chair • Justine Gundersen, Sec-Treas

234 Gold St. • Juneau, Alaska 99801 • (907) 586-0161 • 1-800-9APICDA • Fax (907) 586-0165

April 17, 1996

The Honorable Carl E. Moses  
Representative, District 40  
Alaska House of Representatives  
Juneau, Alaska 99811

Re: HB 466

Dear Representative:

The APICDA Board of Directors has voted unanimously to support the adoption of HB 466. APICDA is one of six community development quota corporations, and primarily represents Aleutian and Pribilof Island communities. Our board is composed of representatives from Akutan, Atka, False Pass, Nelson Lagoon, Nikolski, St. George Island, and Unalaska.

In making its decision to support HB 466, the board recognized the need for an interim management authority to oversee the use and future development of Adak. The authority should be broad based, and should include participation by the State of Alaska. Our board also found value in having the authority be of relatively short duration, to be replaced in the not too distant future by a self-sustaining municipality.

If you have any questions, please don't hesitate to contact us.

Sincerely,

Joseph M. Kyle  
Professional Services

cc: APICDA Board of Directors

**STATE OF ALASKA  
BECOMES THE DEEP POCKET FOR THE U.S. DEPARTMENT OF DEFENSE  
ADAK NAVAL AIR FACILITIES REUSE  
UNDER HB466,  
NOW IN THE STATE SENATE FINANCE COMMITTEE,  
THIS BILL COULD COST THE STATE OF ALASKA TENS OF  
MILLIONS OF DOLLARS**

**HB466 IS A POTENTIAL BLACK HOLE FOR THE STATE OF ALASKA**

- A. HB466 makes us the deep pocket for the U.S. Department of Defense and is unnecessary and expensive to the State of Alaska. There is a better alternative. It has been recommended that a nonprofit corporation be created (Senator Stevens per his letter of March 20 to Governor Knowles) "I think their proposal offers a mechanism to jump-start the process of attracting commercial enterprises to Adak this year."
- B. Local Reuse Authority should be local stake holders with the following representation:
- Two members appointed by the Governor to represent the State of Alaska.
  - One member from the Aleutian East Borough, appointed by the Borough.
  - One member from the City of Unalaska, appointed by the City.
  - One member from the Aleut Corporation, appointed by its board of directors.
  - One member from the Atka community appointed by the community.
  - One member from the United Aleut Community, appointed by the United Aleut's tribal group.
  - One member from the fifteen Village Corporations, appointed collectively by the fifteen corporations.
  - One member from the Aleutian/Pribilof Island Association, appointed by their board of directors.
- C. The land issue is not addressed in this legislation!! This is a major issue that the State of Alaska should have answers from Representative Moses and Lamar Cotton, Deputy Commissioner, Department of Community and Regional Affairs about land status. Adak is part of a National Wildlife Refuge. How does the State plan to operate an authority in the middle of a National Wildlife Refuge. The Aleut Corporation has been working with the U.S. Fish and Wildlife on a land trade for Adak lands. The Aleut Corporation has 55,000 acres of surface estate and 144,000 acres of subsurface estate in unconveyed ANCSA lands. They have over selected 1.2 million acres of the National Maritime Refuge which Adak is a part. We feel this is an important issue and should be addressed by the Senate before this bill goes any further in the process. The Aleut Corporation is the only vehicle that we know of to remove the U.S. Fish and Wildlife ownership and regulations from the land in question so that Adak can be reused in an orderly and unrestricted manner.
- D. HB-466 needs to contain an anti-stripping provision to keep others from stripping the equipment and infrastructure it will take to attract users to Adak. It is recommended that a requirement of a super majority vote of seven board members before any removal occurs.
- E. The State's concept of a Local Reuse Authority needs to be changed so we do not require dissolution of the authority when a Borough or City extends its boundaries to Adak. Local Reuse Authority needs to work with any new local government for the best reuse of Adak.
- F. The State needs to include a provision to keep initial and "embryonic", inquiries received from interested companies confidential. The State is not aware of the difficulty which premature exposure will bring to a successful reuse effort. Full disclosure will be made upon presentation of formal proposals.

## ADAK

### *The Lost Land of the Aleuts*

- Adak Island, of the Andreanof Island group in the Aleutians is located 1300 air miles from Anchorage, was a major hub for traveling Aleut hunters and their families before the European invasion that began with Bering's discovery of the Aleutians in 1741. The population of Aleuts on Adak varied by seasons, and in a 1753-54 observation by Russian merchant Andrean Tolstykh, the population of Adak was somewhere at 5-6,000 Aleuts..
- By 1823 the population dropped dramatically to 193 Aleuts. Perhaps the new occupation as fur traders led most Aleut hunters and their families eastward following the European fur traders. By 1826, a famine hit Adak, and the survivors moved to Atka.
- Field investigations by the U.S. Dept. of Interior for Aleut historic sites were conducted throughout the Aleutians as a result of the Native Claims Settlement Act of 1971, and as a result, 64 historic Aleut sites of a possible 76 sites were discovered on Adak Island.
- According to field investigators for the U. S. Dept. of Interior, there is a likelihood that most of the historic sites within the military boundary of the island were destroyed by military construction and souvenir hunters - as only 8 of the 64 sites verified were found within the military boundary.
- The Aleuts continued to use Adak after 1826 as seasonal hunting camps until World War II, when the military moved in to the island.
- In 1913, by Executive Order, Adak and all of the Aleutians were declared to be a part of the national wildlife refuge, which Adak remains today.
- In 1995, Adak Naval Air Facility fell victim to the 1995 military base closure plan, and will be vacated by the Navy not later than January 1998.
- The U. S. Fish & Wildlife Service is negotiating a land trade with The Aleut Corporation (Aleut), which would give Aleut up to 76,800 acres of the land that is being vacated by the military. The Service in return would have Aleut relinquish land claims inside any refuge lands elsewhere on an acre-for-acre basis.
- The State and federal governments need to recognize the historic and cultural significance of Adak, what it means to the Aleut people, and how important and necessary it is to return control of their land to them.

## 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 110(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. B-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 BOQ 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 drain-age 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

perforated 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 buried 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.)

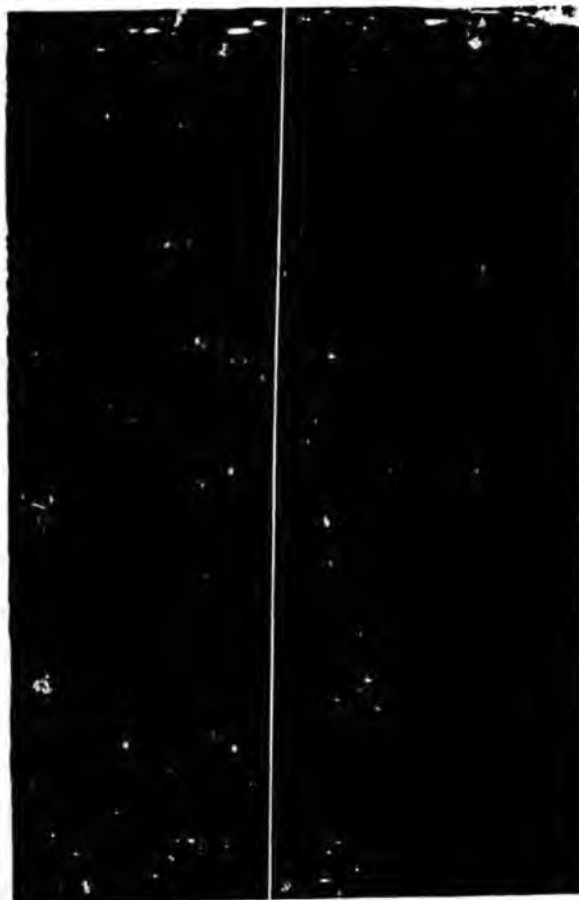
Pathological waste from the Hospital is currently being buried. Special Project EC12-88, when completed will remedy this critical problem. Storage of this material in 55-gallon drums is being initiated until the new equipment is on board and operational.

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 Kuluk 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 Adak 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 (Arctic Acres) Housing

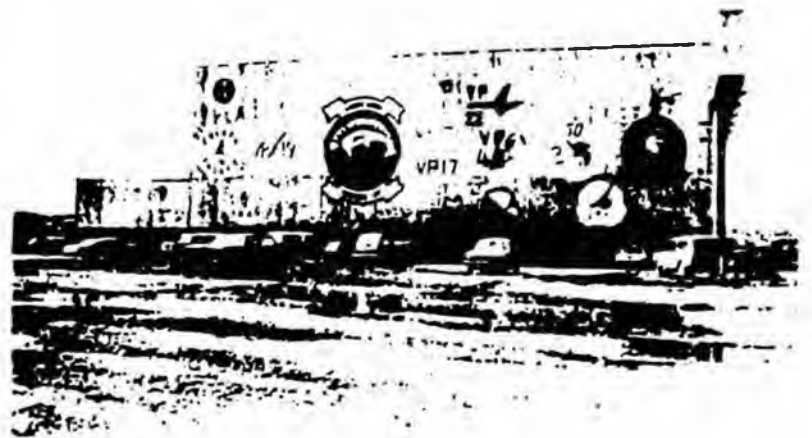
## Commercial

The Navy Exchange building, the pre-eminent structure and commercial hub of the "downtown" could hardly be of a crabbier 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, McDonalds adds a little color and, with its large windows, brings some friendliness to an otherwise drab setting.

## Industrial

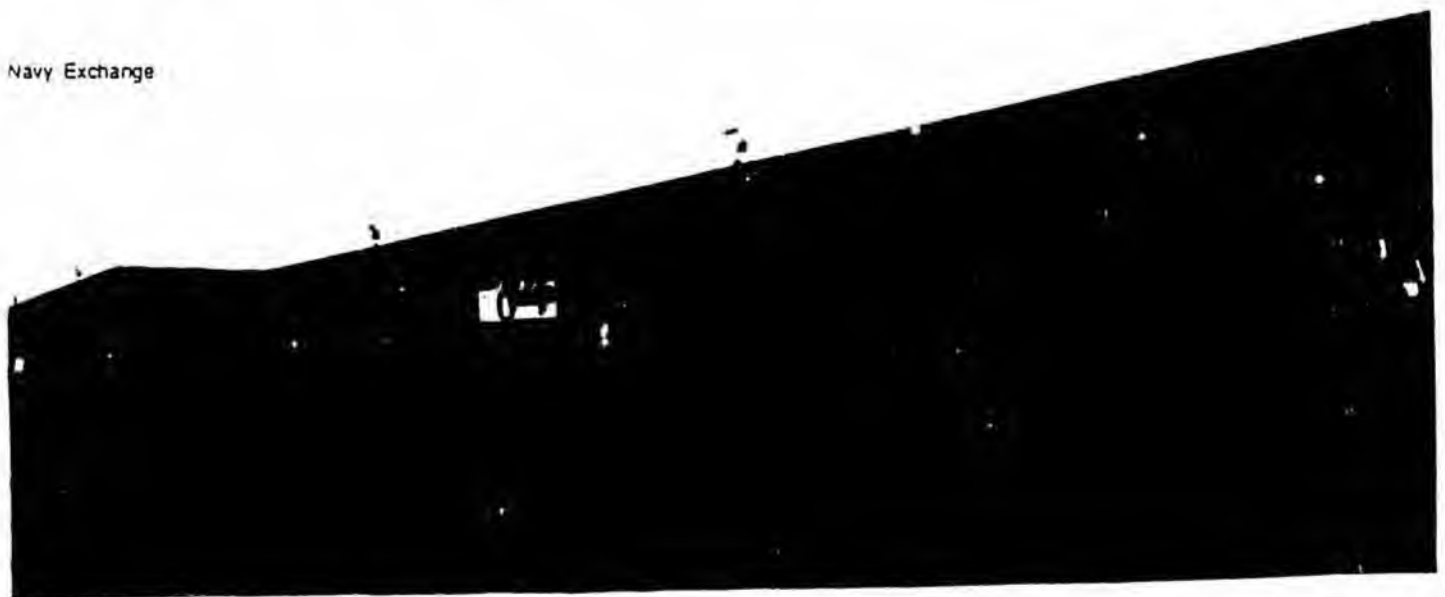
Of the industrial type facilities the most prominent ones are hangars and warehouses. The VP Hangar, the largest at the airfield, is very visible from the main road, especially its highly decorated side wall. The collection of large scale insignia, though somewhat haphazardly applied, adds interest to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

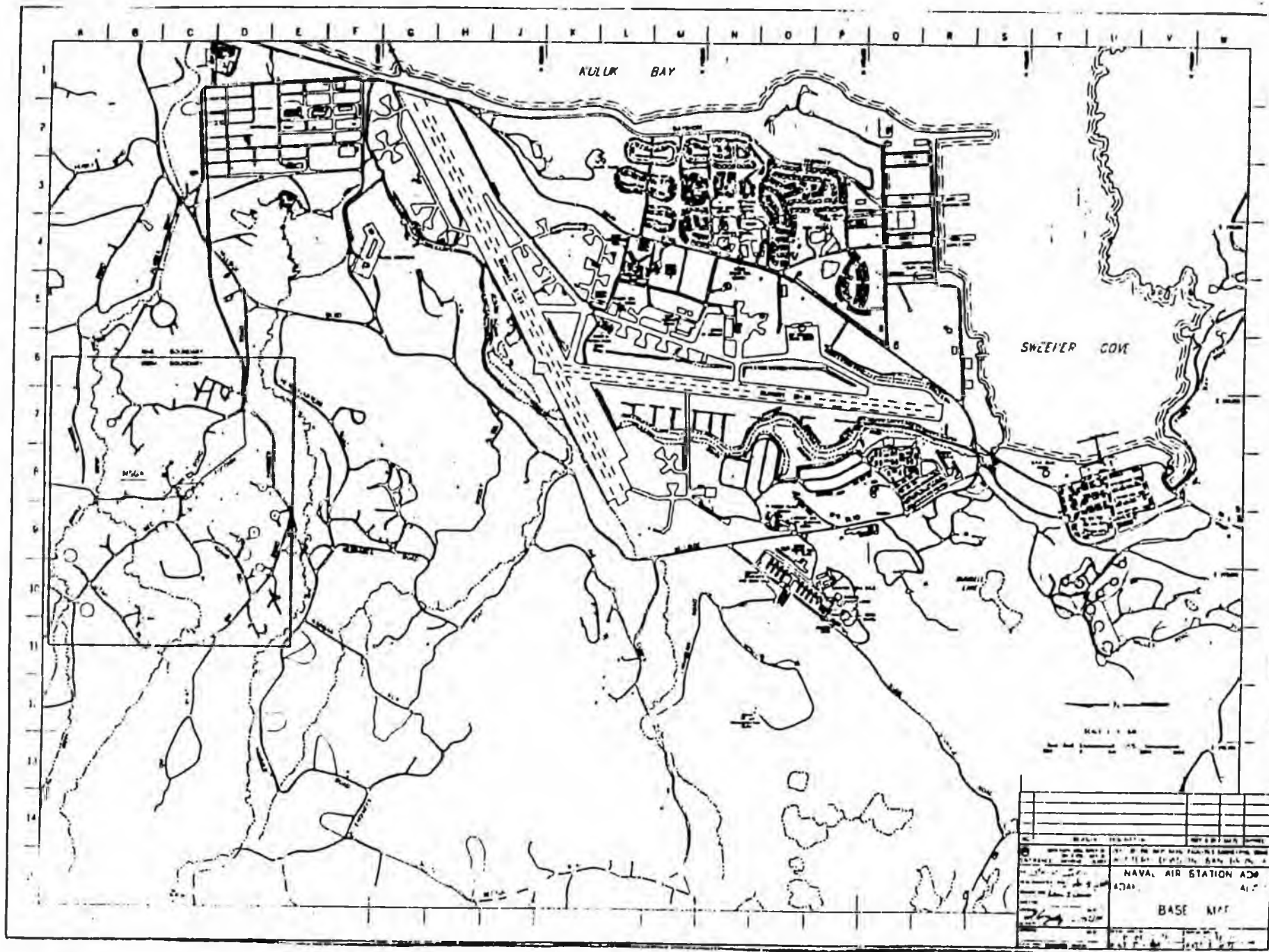


The Highly Decorated Wall of the VP Hangar

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





# 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 Reuso Authority BRU: 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						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ( )						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	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 Leetankor Date: \_\_\_\_\_  
 Agency: Military and Veterans Affairs

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**SENATE COMMITTEE REPORT**  
**First Committee of Referral**

DATE: 3/25/96

FURTHER: Finance

DATE TURNED INTO OFFICE: 4/11/96

The C&RA Committee considered CS FOR HOUSE BILL NO. 466(FIN) am

"An Act establishing the Adak Reuse Authority."

*P.H. & F.A.*

and recommends:

- be replaced with Senate CS for CS for HB 466 (CRA)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**  
 same title  
 new title  
**House Bill:**  
 same title  
 technical title  
 new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Tim Kelly</i>	<i>-</i>	<i>[Signature]</i>	<i>✓</i>		
<i>[Signature]</i>	<i>✓</i>	<i>Roll &amp; [Signature]</i>	<i>✓</i>		
CHAIR: <i>John [Signature]</i>	<i>✓</i>	CHAIR:			

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal
<i>P.O.P.A.</i>	<i>3/17/96</i>		<i>✓</i>
<i>Military &amp; Veterans Affairs</i>	<i>2/14/96</i>		<i>✓</i>

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill