

HB

96

22-LS0451\F
Lauterbach
4/3/01

CS FOR HOUSE BILL NO. 96()

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - FIRST SESSION**

BY

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVE LANCASTER

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to acquisition and development of the Jesse Lee Home; and providing**
2 **for an effective date."**

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

4 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 **FINDINGS; INTENT.** (a) The legislature finds that the Jesse Lee Home in Seward
7 has historical significance for all the people of the state because John Ben (Benny) Benson,
8 Jr., lived at the home when he designed the state flag.

9 (b) The legislature further finds that the Jesse Lee Home is currently in such
10 dilapidated condition, having been vacant since it was damaged by the 1964 earthquake, that
11 the home's renovation is beyond the means of the local community.

12 (c) It is the intent of the legislature that the Jesse Lee Home and the real property on
13 which it is located be acquired by the state and managed in a manner that recognizes its place
14 in the state's history. Appropriate management would include the erection of a monument

1 honoring Benny Benson for his role in designing the state flag and development of the site as
2 a place where community events and ceremonies could be held.

3 * Sec. 2. The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 JESSE LEE HOME. (a) The Department of Natural Resources shall determine the
6 costs and procedures necessary for the state to acquire, develop, and manage the Jesse Lee
7 Home. The department shall report to the governor and the legislature by November 1, 2002,
8 concerning its recommendations as to the procedures to be used and an estimate of costs
9 involved for state acquisition of the home, erection of an appropriate monument, development
10 of the site for future appropriate uses, and ongoing management.

11 (b) In addition to determining the costs and procedures for state acquisition and
12 management of the Jesse Lee Home, the Department of Natural Resources may also consider
13 whether there are other options that would protect the historical value of the home and include
14 in the report required under (a) of this section the department's findings as to the costs and
15 procedures that could be used to implement the other options.

16 (c) Subject to the availability of an appropriation specified as being for the acquisition
17 of the Jesse Lee Home, the Department of Natural Resources shall acquire the Jesse Lee
18 Home and develop and manage it consistent with the intent of this Act.

19 * Sec. 3. This Act takes effect July 1, 2001.

SITE: Mat-Su LIO

COMMITTEE: HHESS

DATE: 04.03.01

SUBJECT OF MEETING:

HB 164 Grandparents rights

UPDATE #:

PLEASE SIGN IN

PLEASE PRINT:

NAME

ADDRESS (MAILING & ZIP)

REPRESENTING

DO YOU WANT

TO TESTIFY?

Y or N

NAME	ADDRESS (MAILING & ZIP)	REPRESENTING	DO YOU WANT TO TESTIFY? Y or N
Sharon Lee Shields		GRO	YES HB 164
ED STREMAN			YES HB 164

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Alaska State Legislature

SESSION ADDRESS:
State Capitol
Juneau, Alaska 99801-1182
Phone (907) 465-2693
Toll Free 800-463-2693
Fax 907-465-3835



INTERIM ADDRESS:
35477 Suite 101-B Spur Hwy
Soldotna, Alaska 99669
Phone 907-260-5236
Fax 907-260-3044

Representative Ken Lancaster District 8

SPONSOR STATEMENT

HOUSE BILL 96

"An Act relating to acquisition and development of the Jesse Lee Home; and providing for an effective date."

The Jesse Lee Home for Children is located in Seward, Alaska, and is rich in cultural history.

The home was listed on the National Register of Historic Places in 1995 for the critical role it played in serving the health care and educational needs of Alaska Native children orphaned during a wave of devastating epidemics. John Ben (Benny) Benson Jr. had a vision to design a symbol for Alaska while residing at the Jesse Lee Home. That vision became the Alaska State Flag.

The Jesse Lee Home site was honored as the location for the first official raising of the Alaska State flag on July 9, 1927. The home also housed American soldiers during World War II.

The intent of this legislation is to have an advisory committee determine the costs and procedures necessary for the State of Alaska to acquire, develop, and manage the Jesse Lee Home property. The Jesse Lee Home was badly damaged by the 1964 earthquake. It is hoped the property will be acquired by the State and managed in a manner that recognizes its place in the State's history because of the flag raising, and honoring Benny Benson for his role in designing the Alaska State flag.

E-Mail: Representative_Ken_Lancaster@legis.state.ak.us

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**CITY OF SEWARD, ALASKA
HISTORIC PRESERVATION COMMISSION
RESOLUTION NO. 2001 -01**

**A RESOLUTION OF THE SEWARD HISTORIC PRESERVATION
COMMISSION, RECOMMENDING THE NOMINATION OF THE JESSE
LEE HOME TO AMERICA'S 11 MOST ENDANGERED HISTORIC
PLACES**

WHEREAS, the National Trust for Historic Preservation's America's 11 Most Endangered Historic Places provides an opportunity to spotlight examples of American heritage threatened by neglect, deterioration, lack of maintenance, insufficient funds, inappropriate development or insensitive public policy; and

WHEREAS, the Jesse Lee Home for Children was listed on the National Register of Historic Places in 1995 for the critical role it played in serving the health care and educational needs of Alaska's native children orphaned during a wave of devastating epidemics, and because the home fostered many children who have distinguished themselves in a wide variety of fields; and

WHEREAS, John Ben (Benny) Benson Jr., designed Alaska's flag while residing at the Jesse Lee Home, and the site was honored as the location for the first official raising of the Alaska state flag on July 9, 1927; and

WHEREAS, the Jesse Lee Home, which has remained vacant since it was damaged by the 1964 Alaska earthquake, has been gutted, abandoned, and is in poor condition. A recent engineer report on the condition of the building stated that the structure should be considered unstable; and

WHEREAS, the Jesse Lee Home has been consistently cited by Seward residents as a high priority for historic preservation, however, many residents also feel its salvation is beyond the scope of a small community, and that its status as a state historic treasure and home of the Alaska flag design should be recognized; and

WHEREAS, the Jesse Lee Home was listed on the Alaska Association for Historic Preservation's Ten Most Endangered Properties list in 1993 and 1994; and

WHEREAS, the Seward Historic Preservation Plan recommends that the City continue to monitor the status of the Jesse Lee Home and support efforts to save it.

NOW, THEREFORE, BE IT RESOLVED by the Seward Historic Preservation Commission that:

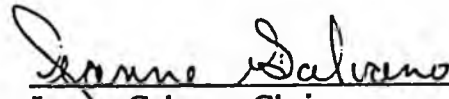
Seward Historic Preservation Commission
Resolution No. 2001-01

Section 1. The Seward Historic Preservation Commission hereby recommends the nomination of the Jesse Lee Home to America's 11 Most Endangered Historic Places.

Section 2. This resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED by the Seward Historic Preservation Commission this 10th day of January, 2001.

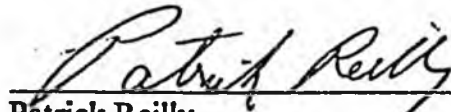
THE CITY OF SEWARD, ALASKA



Jeanne Galvano, Chairman

AYES: Appel, Darling, Galvano, Hearn, Martin, Sczawinski
NOES: None
ABSENT: Seavey
ABSTAIN: None

ATTEST:



Patrick Reilly
City Clerk



2001 Request for Nominations

Created in 1988, America's 11 Most Endangered Historic Places is open for nominations for 2001. This is your chance to spotlight examples of American heritage threatened by neglect, deterioration, lack of maintenance, insufficient funds, inappropriate development or insensitive public policy.

Countless places are endangered. That's why you must show how your nomination is representative of other sites facing the same serious threat. We

consider sites from a range of backgrounds, from pre-history to the Civil Rights era.



*Santa Anita Racetrack
Arcadia, Calif.*

**Nominations are due
no later than Jan. 19, 2001.**

Important:

- Consider contacting your National Trust Regional Office. Although the National Trust's Office of Communications maintains the list, regional staff play a key role in the decision-making process.
- **The list will be announced June 25** - so if you want attention to stop a May demolition, listing the site will not help.
- Office of Communications staff can answer your questions. Please call (202) 588-6141 or E-mail pr@nthp.org.

The National Trust for Historic Preservation is a private, nonprofit membership organization dedicated to protecting the irreplaceable. With more than a quarter million members nationwide, it provides leadership, education and advocacy to save America's diverse historic places and revitalize communities. It has six regional offices and 20 historic sites and works with thousands of local community groups in all 50 states. For more information, visit the National Trust's Web site at www.nationaltrust.org.

AMERICA'S 11 MOST ENDANGERED HISTORIC PLACES 2001 NOMINATION

SITE INFORMATION

Name of Site Jesse Lee Home for Children
 Address 1824 Phoenix Road
 City/State/Zip Seward, AK 99664
 Date Built 1925 Ownership (choose one) Public Private
 Owner Name Frank Irick
 Owner Address 4109 Lynn Drive, Anchorage, Alaska 99508
 Owner Phone 907-338-3164 Owner Fax 907-337-9797
 Historic Designation (choose one) National Historic Landmark National Register State/Local Designation
 National Register Eligible Other (explain)

NOMINATOR INFORMATION

Name of individual/group nominating site Seward Historic Preservation Commission
 Address P.O. Box 167 Seward, Alaska 99664
 Phone 907-224-4048 Fax 907-224-4085 E-mail planzone@seward.net

RELEASE AUTHORIZATION

This form must be signed in order for the nomination to be considered.

The undersigned hereby gives to the National Trust for Historic Preservation a non-exclusive license to use, and to allow others to use, in whole or in part, in whatever manner the National Trust may desire, including (but not limited to) use for publicity, audiovisual presentation, and/or promotion, all photographs, videos, and other materials submitted to the National Trust in connection with America's 11 Most Endangered nomination. The National Trust is hereby given permission to make any editorial changes and/or additions to the materials referred to herein as it may deem necessary or desirable for production purposes. The undersigned hereby agrees that it has the authority to grant these rights, that it has obtained any such rights necessary from third parties, including without limitation, models, creators, photographers, writers and producers, and that it will hold harmless and indemnify the National Trust from and against any claim brought against the National Trust from third parties that may arise out of the violation of this paragraph.

Release authorized by *Rachel James* Rachel James, Planner
Signature Print or type name and title City of Seward

ADDITIONAL DOCUMENTS

On a separate document, please provide the following information. All questions must be answered. Also attach any supporting materials, including photographs, news articles, correspondence, etc. Please note: At least three quality 35mm slides are required.

1. Describe the site.
2. What is the site's history? Has it been nominated or been named to other lists?
3. How well known is the site? Who goes there (tourists, school children)? Is it open to the public?
4. Why is this site important? What preservation issues does it exemplify (sprawl, inner city decline, etc)? Please consider the following - how is the site unique? Why should anyone care that it is endangered?
5. Describe the threat to the site (is it due to natural disaster, poor maintenance, lack of funds, etc.)?
6. How significant is the threat (is the building about to fall, is the ship about to sink)?
7. How can the threat be eliminated (more money, change of ownership, education, legal protection, etc.)?
8. Who are the major players (are "friends of" groups, government agencies, private citizens involved)?
9. Who opposes preservation of this site?
10. How would listing this site as one of America's 11 Most Endangered Historic Places help save the site?
11. Other than listing this site, how can the National Trust alleviate the threat?
12. How has the National Trust been involved to date?
What role, if any, is there for the Trust if this site is put on the list?
13. Provide any additional comments/recommendations.
14. Provide names, titles, phone/fax of all appropriate contacts.

Please submit all nomination information, along with this completed form, by **Jan. 19, 2001** to:

The National Trust for Historic Preservation
 Office of Communications
 1785 Massachusetts Ave., NW • Washington, DC 20036
 phone (202) 588-6141 • fax (202) 588-6299 • pr@nthp.org



**JESSE LEE HOME FOR CHILDREN
AMERICA'S 11 MOST ENDANGERED HISTORIC PLACES
2001 NOMINATION**

1. Describe the Site

The Jesse Lee Home for Children has remained vacant and abandoned for nearly 40 years, yet it continues to stand, overlooking Resurrection Bay in Seward, Alaska. Although severely neglected and deteriorated, the two imposing Tudor-style buildings are a strong reminder of Seward and Alaska's history.

Jewel Guard Hall, built in 1925, was formerly a boy's dormitory with classrooms. The Balto Building built in 1936-37 housed teachers, library, theater, shops, classrooms and the physical plant.

As the surrounding residential property has seen developed with multi-family apartments and single-family homes, and the trees and brush have nearly overshadowed the site, the two remaining buildings of the Jesse Lee Home have been waiting patiently for their salvation from the ever present threat of demolition.

2. What is the sites history? Has it been nominated or named to other lists?

The historical significance of the site is based on two facts. First, the facility played a critical humanitarian role in serving health care and educational needs of Alaska's children orphaned during a devastating wave of epidemics. Secondly, the home fostered children who have distinguished themselves in a wide variety of fields. The most famous of these today is John Ben (Benny) Benson, Jr., who while residing at the Home, designed Alaska's State flag. The Jesse Lee Home in Seward was also honored as the site where the State Flag was first officially raised on July 9, 1927. The Home also housed American soldiers during World War II.

The Jesse Lee Home in Seward was one of the most prominent examples of outstanding institutional response to the massive changes that took place in Territorial Alaska during the early twentieth century. As the time the Jesse Lee Home was built in Seward in 1925, Alaska was in the midst of successive waves of epidemics and alcohol-induced disorders that devastated the Native population. Thousands of Alaska Natives died. Many others were confined in Sanitariums so that they could recover from tuberculosis. The Jesse Lee Home for Children was one of the largest and most stable institutions to care for and educate the orphaned and abandoned native children that were the result of the massive social and cultural changes that devastated great numbers of Native Alaskans.

The Jesse Lee Home's history is very well known in the State of Alaska and is well documented. The site is listed on the National Register of Historic Places, the State of Alaska Heritage Resources Survey, and the local Seward Register of Historic Places. The Alaska Association for Historic Preservation identified the Jesse Lee Home on Alaska's Ten Most Endangered Properties list in 1993 and 1994.

3. How well known is the Site? Who goes there (tourists, school children)? Is it open to the public?

The Jesse Lee Home has been consistently cited by Seward residents as a high priority for historic preservation, however, many residents also feel its salvation is beyond the scope of a small community, and that its status as a state historic treasure and home of the Alaska State flag design should be recognized. The site has been in private hands and has been "closed" to the public for over 35 years.

It is an interesting place and many observers have a natural curiosity to explore the massive building, but their neglected condition makes this a real danger. The Jesse Lee Home is included on the Seward Historic Preservation Commission's annual tour of the city's nine National Register of Historic Places sites.

4. Why is the Site important? Why should anyone Care?

The Jesse Lee Home is rich in cultural history, as it was the home of children from all ethnic background brought in from every village and town in Alaska. As the birthplace of Alaska's flag, the site is extremely important to Alaska's history. Benny Benson, an orphaned child living hundreds of miles from his home had the vision to design a symbol for Alaska which is known and admired through out the world. The state flag was first raised and flown over Alaskan soil on July 9, 1927, from the flagpole at the Jesse Lee Home. Today, Alaska school children learn the story of how Alaska's State flag was created by Benny Benson, an orphaned boy who lived at the Jesse Lee Home in Seward.

5. Describe the threat to the site.

The Jesse Lee Home was closed following damage to the structures in the 1964 Alaska Earthquake, and the buildings have remained vacant since that time. The structures have been gutted and abandoned and are in poor condition. As documented by a 1999 engineer's preliminary review on the condition of the structure, the existing condition of this building is its greatest threat.

The report concluded that the lateral load capacity of the structures is minimal, and that due to the condition of the roof and interior framing, the structure should be

considered unstable. The report specifically noted the following:

- * The roofing is in poor condition. Patches are missing and the building suffers from roof leaking.
- * The interiors have been stripped to expose the framing. Where the roof is leaking the interiors have significant wood rot damage. This damage is worse in the lower floors.
- * The exterior wall finish is stucco placed on vertical wood lath. The stucco is cracked and in poor condition in many areas.
- * The foundation is of cast-in-place concrete. Some of the concrete exterior walls are soft.
- * The foundation sill plates are not treated and are rotted in many areas.

The physical threat to the buildings on the site is very real and can not be overstated. Holes in the wooden shingle roof have allowed significant amounts of water to enter the buildings interior and rainfall totals for Seward are significantly high. Large sections of floor are rotted and pose a real threat to casual visitors. Higher than average winter snows could pose a threat as well. Considering that there has been no maintenance of any kind since 1964 the state of deterioration is high, and has been countered all these years only by craftsmanship and good materials. Every one of the 120 + windows are broken or missing. A previous owner removed all interior lath and plaster, plumbing and wiring. This looks bad because the interior is essentially gutted however, this has also allowed the walls to remain relatively dry and will allow future tenants to design an interior layout suited to their needs.

6. How significant is the threat?

In 1995 the City of Seward filed a foreclosure action on the Jesse Lee Home property for unpaid assessments and associated penalties and interest. As of July 1, 1997, the total owed for assessments, penalties, interest and foreclosure cost was \$210,145.27. Interest on that amount continues to accrue at 9% per annum. The City and the property owner entered into a settlement agreement that would have discharged the property assessments if restoration and redevelopment of the historic structures was completed. That agreement expired on September 30, 2000, and the property owner did not complete the restoration and redevelopment of the Jesse Lee Home due to an inability to obtain financing. The City of Seward is now in a position to complete the foreclosure and obtain the property. At that point the City can either declare the property for public use or sell it. One of the options being considered by the City if

it obtains ownership of the property is to demolish the structures in order to eliminate the liability to the City, and make the property more attractive for development.

6. How can the threat be eliminated?

The immediate threat of demolition could be curtailed by a rapid public awareness campaign, and education of the elected officials on the historical significance of this site. In order to completely eliminate the threat a viable use for the structure must be identified, and significant funds obtained to rehabilitate the buildings.

7. Who are the major players?

The major players currently involved with the Jesse Lee Home include the City of Seward, the State of Alaska, and private citizens.

The City of Seward is a major player because of its potential in becoming the owner of the property in the very near future. One of the City of Seward's 2001 State legislative priorities includes promoting legislation to have the Jesse Lee Home transferred to the state property inventory.

The State of Alaska is currently being approached by the City of Seward for legislative action to have the Jesse Lee Home transferred to the State property inventory. In addition, private citizens are making phone calls and sending letters to Alaska State Senators and Representatives, the Governor's Office, and the State Historic Preservation Office in order to obtain legislative funding for the renovation and restoration of the Jesse Lee Home.

At this time the United Methodist Women's Organization already running a large rehabilitation center in Seward, has expressed interest in receiving and operating an assisted living apartment complex within a restored Jesse Lee Home.

Over 500 private citizens signed a petition a few years ago in support of action to save the Jesse Lee Home. The public want to help, but feels helpless and overwhelmed by a project of this size. Their only recourse appears to be to petition their state officials and representatives.

9. Who opposes preservation of the site?

Local legend has it that a past City Manager frustrated about "What to do with the Jesse Lee Home" ordered the fire chief to burn it. The Chief politely refused.

Other than a handful of known firebugs looking for a "good burn" no serious

opposition to the sites preservation has ever been detected on the local or state level.

Even the normally expected real estate developers, often around sites on the eve of their destruction, are missing. The estimated \$180,000.00 price tag for the buildings demolition and removal make the 2 ½ acres future investment bleak.

10. How would listing this site as one of America's 11 Most Endangers Historic Places help save the site.

Being included on a National List of America's Most Endangered Sites would be of great help to those interested in the Jesse Lee Homes restoration and preservation. Already a grass roots effort is under way to influence Alaska's State Legislative Officials to fund such an undertaking. Recognition that many people outside the state also hope to see better things for the Home's future, would undoubtedly have a favorable influence in their deliberations. While being included on such a list is hardly an honor, a small dose of shame at the right time, administered in a helping way, could work wonders.

11. Other than listing this site, how can the National Trust alleviate the threat?

If pressure on the State of Alaska fails, the National Trust could be the Home's last hope. While we are optimistic about a State resolution to this problem, a letter of support for preservation efforts at the Jesse Lee Home from the National Trust to the Governor of Alaska would be very helpful and most appreciated.

12. How has the National Trust been involved to date? What role, if any, is there for the Trust if this site is put on the list?

Thus far the National Trust has been uninvolved in this site. The National Trust could be very helpful in the future in two ways. First of all, an article regarding this project in one of the Trust publications could help spread word of the problem. Secondly, the National Trust could in the near future provide valuable technical advice in the areas of :

1. Adaptive reuse of historic structures
2. Use of historic buildings as residential nursing homes
3. Safety issues/handicapped access issues
4. Environmental issues

14. Provide Name, Title, phone,/fax of all appropriate contacts:

1. Governor Tony Knowles
P.O. Box 110001
Juneau, Alaska 99811-0001
Phone(907) 465-3500
Fax (907) 465-3532
2. Senator John Torgerson
Alaska State Senate
State Capital
Juneau, Alaska 99811
3. Representative Ken Lancaster
House of Representatives
State Capital
Juneau, Alaska 99811
4. Judith Bittner (SHPO)
Dept. of Natural Resources
Office of History and Archeology
3601 C Street, Suite 1278
Anchorage, AK 99503-5921
Phone (907) 269-8715
Fax (907) 269-8908
5. Scott Janke, City Manager
City of Seward
P.O. Box 167
Seward, AK 99664
Phone (907) 224-4047
Fax (907) 224-4038



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Alaska - Seward 3 Earlier Times: Former Jesse Lee Orphans Home 1999

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Former Jesse Lee Orphans Home 1999

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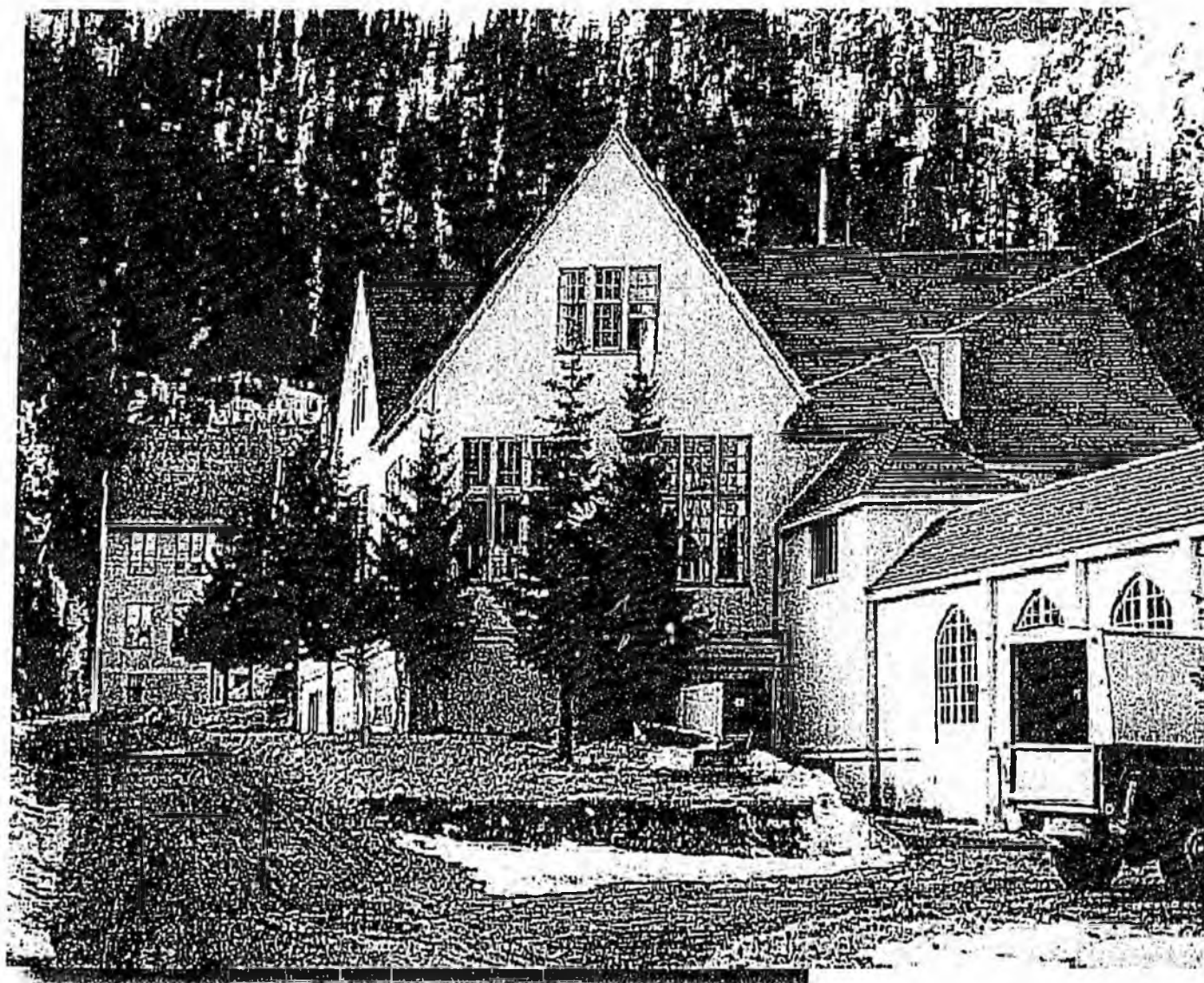
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Alaska - Seward 3 Earlier Times: Jesse Lee Home In Its Heyday

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Jesse Lee Home In Its Heyday

2001 City of Seward State Legislative Priorities

Project Title: PROMOTE LEGISLATION TO HAVE JESSE LEE HOME TRANSFERRED TO THE STATE PROPERTY INVENTORY
Priority: #4 Beneficial Legislation
Funding Need:
Funding Source:

Project Description/Justification

John Ben (Benny) Benson Jr., designed Alaska's flag while residing at the Jesse Lee Home, and the site was honored as the location for the first official raising of the Alaska state flag on July 9, 1927.

The Jesse Lee Home, which has remained vacant since it was damaged by the 1964 Alaska earthquake, has been gutted, abandoned, and is in poor condition. A recent engineer report on the condition of the building stated that the structure should be considered unstable.

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Lauterbach
4/3/01

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7 Home. The department shall report to the governor and the legislature by November 1, 2002,
8 concerning its recommendations as to the procedures to be used and an estimate of costs
9 involved for state acquisition of the home, erection of an appropriate monument, development
10 of the site for future appropriate uses, and ongoing management.

11 (b) In addition to determining the costs and procedures for state acquisition and
12 management of the Jesse Lee Home, the Department of Natural Resources may also consider
13 whether there are other options that would protect the historical value of the home and include
14 in the report required under (a) of this section the department's findings as to the costs and
15 procedures that could be used to implement the other options.

16 (c) Subject to the availability of an appropriation specified as being for the acquisition
17 of the Jesse Lee Home, the Department of Natural Resources shall acquire the Jesse Lee
18 Home and develop and manage it consistent with the intent of this Act.

19 * Sec. 3. This Act takes effect July 1, 2001.

Alaska State Legislature

SESSION ADDRESS:
State Capitol
Juneau, Alaska 99801-1182
Phone (907) 465-2693
Toll Free 800-463-2693
Fax 907-465-3835





INTERIM ADDRESS:
35477 Suite 101-B Spur Hwy
Soldotna, Alaska 99669
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Fax 907-260-3044

Representative Ken Lancaster District 8

February 19, 2001

MEMORANDUM

To: Representative  Fred Dyson, Chairman
Health, Education, and Social Services Committee

From: Representative  Ken Lancaster

Subject: House Bill 96 Hearing

I would like to request a committee hearing for House Bill 96 – “An Act relating to acquisition and development of the Jesse Lee Home.” Attached is the information that will appear in the packets my office will prepare when a date is given for a hearing on this bill.

As I understand, your committee aide requests the fiscal note. Since this is the first committee of referral there are no other fiscal notes attached.

I look forward to House Bill 96 being scheduled. Thank you!

Alaska State Legislature

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Representative Ken Lancaster District 8

SPONSOR STATEMENT

HOUSE BILL 96

"An Act relating to acquisition and development of the Jesse Lee Home; and providing for an effective date."

The Jesse Lee Home for Children is located in Seward, Alaska, and is rich in cultural history.

The home was listed on the National Register of Historic Places in 1995 for the critical role it played in serving the health care and educational needs of Alaska Native children orphaned during a wave of devastating epidemics. John Ben (Benny) Benson Jr. had a vision to design a symbol for Alaska while residing at the Jesse Lee Home. That vision became the Alaska State Flag.

The Jesse Lee Home site was honored as the location for the first official raising of the Alaska State flag on July 9, 1927. The home also housed American soldiers during World War II.

The intent of this legislation is to have an advisory committee determine the costs and procedures necessary for the State of Alaska to acquire, develop, and manage the Jesse Lee Home property. The Jesse Lee Home was badly damaged by the 1964 earthquake. It is hoped the property will be acquired by the State and managed in a manner that recognizes its place in the State's history because of the flag raising, and honoring Benny Benson for his role in designing the Alaska State flag.

E-Mail: Representative_Ken_Lancaster@legis.state.ak.us

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Alaska - Seward 3 Earlier Times: **Former Jesse Lee Orphans Home 1999**

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Former Jesse Lee Orphans Home 1999

A happy ending to the Jesse Lee Home story is up to you

By Tim Szawinski

Seward

Have you noticed that there is something different about the Jesse Lee Home these days? You're forgiven if you missed it. After all, the place still looks the way it has since the Great Earthquake - better suited for the set of a slasher movie than for use as a children's home.

Commentary

Nonetheless, there are a couple of significant differences that should give those who hope for better things for one of Alaska's historic treasures reason to be optimistic. First of all, the property will soon be public land, making all of us shareholders in the Jesse Lee

Home's future. Secondly, there is a very serious effort afoot in Juneau to do something important with the place where Alaska's first flag was designed and then first displayed to the world.

In a stunning development, our representative in Juneau, Ken Lancaster, has introduced a bill to the State House aimed at providing expertise and funds to solve the Jesse Lee Home problem to the benefit of all Alaskans. House Bill No. 96, if approved by the House, Senate and governor, would lead to the development of the site by the state of Alaska and its permanent maintenance as one of the state's most historically significant places.

The bill's authors acknowledge that this project should be important to citizens living throughout Alaska. After all, the Jesse Lee Home's story, like that of a great battlefield or a president's birthplace, transcends local boundaries. People all over America know the story of Benny's flag.

The bill also recognizes the site's restoration is currently beyond the means of city government. Therefore the state would take ownership and determine the best course of action, dates for action being built into the bill.

All sounds good, right? The problem is, bills don't pass if they don't get support, and that's why a happy ending to this story really is up to you.

If you agree with Rep. Lancaster that the brightest future for the home lies in the hands of the state of Alaska, please help him make it so. In order for him to get this legislation through, he really needs you to contact him and let him know your feelings.

Not so long ago, more than 400 of you signed a petition in front of the post office to "save the Jesse Lee Home." Won't you all get involved one more time? Can't Ken Lancaster expect hundreds of letters, e-mails, faxes or public opinion messages (see the friendly folks at the Legislative Information Office next to the Chamber of Commerce for addresses, phone numbers, POM information) from the residents of Seward, Moose Pass and Cooper Landing? Perhaps a teacher or two could encourage their students to get involved. It's your site now and only your help will make the Jesse Lee Home a place we can be proud of.

Rep. Lancaster's mailing address in Juneau: Rep. Ken Lancaster, Alaska State Capitol, Room 421, Juneau 99801. The Legislative Information Office phone number is 224-5066.

Seward Phoenix Log
Feb 8, 01

Beyond repair

Jesse Lee Home's fate may be in state's hands

By Nancy Erickson

Seward Phoenix LOG

A new player has appeared in the quandary of what is to become of the historic and deteriorating Jesse Lee Home.

House District 8's new representative Ken Lancaster introduced House Bill 96 last week that would pave the way for the state to acquire the property on Phoenix Road and manage it in a manner that recognizes the site's role in Alaska's history.

The home was opened in 1926 as an orphanage for Alaska Native children who either lost or were temporarily separated from their parents because of the deadly tuberculosis epidemic sweeping the territory at the time. It was there that John Ben "Benny" Benson Jr., a 13-year-old boy from Chignik, combined images of the Big Dipper, the North Star and the forget-me-not flower to design the Alaska state flag. The flag was first officially raised at the site on July 9, 1927.

But the orphanage and the 2 1/2 acres it occupies have been vacant since the 1964 Good Friday earthquake, slowly succumbing to the climatic elements of its maritime environment.

After many attempts at private development, the property is now in foreclosure by the Kenai Peninsula Borough for delinquent property taxes, said Jeff Sinz, borough finance director. According to state statute, the borough could deed the property to the city after the foreclosure process is completed. But the city doesn't appear to



Nancy Erickson/Seward Phoenix LOG
Children from Unalaska and Nome began moving into the newly constructed Jesse Lee Home in 1926.

Jesse Lee...

From page 1

be interested in assuming liability for the property, nor does it have the resources to develop it, said City Manager Scott Janke.

"I don't think the property is worth more than the estimated \$180,000 it would cost to raise it," Janke said of the two-story structures.

But what is to become of the orphanage — which housed many children who remained in Seward, married and raised families of their own — is an emotionally charged issue, sharply divided between those who believe the buildings are structurally sound and capable of refurbishing and those who don't.

Lancaster graduated from high school in Seward in 1961 and had friends who resided in Jesse Lee, he said. He even has a state flag signed by Benny Benson hanging on the wall of his office in Juneau.

The concept of state ownership of the property was resurrected by local historian Tim Sczawinski amid discussion of the home's fate during a January Planning Commission meeting.

"You always hear talk about liability and money," Sczawinski said during the January meeting. "Nobody

ever talks about history. I could give you a half-hour lecture on the history of it. What's wrong with approaching the state? Our state flag was raised here. Don't we have any pride?"

Seward Museum curator Lee Poleske agrees state ownership is a good idea.

"As far as commemorating the design of the flag, that's a state event, not a local event," Poleske said.

But what the state would do with the property if it does assume ownership is not clear, said Lancaster.

HB96 wording deems, "Appropriate management would include the erection of a monument honoring Benny Benson for his role in designing the state flag and development of the site as a place where community events and ceremonies could be held."

The building itself may be another matter.

"Unfortunately, it's not repairable, according to the city," Lancaster said.

In a telephone interview from his Juneau office last week, Lancaster said his bill has support among some of his colleagues and expects it to take the full legislative session, and maybe into the next, before it comes to a full vote. "It won't be a quick process," he said.

Those wishing to comment on the bill can contact the Seward Legislative Office at 224-5066.



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House bill would enable state to take over Jesse Lee Home

SEWARD (AP) -- The historic Jesse Lee Home, opened as an orphanage in 1926, has sat empty, slowly succumbing to the elements for 37 years.

But a bill introduced in the Alaska House would enable the state to take over the home and manage it in a way that recognizes its contribution to the state's history.

Ken Lancaster introduced the bill in early February. He said the bill has support among his colleagues but may not come to a vote until next session.

"It won't be quick process," Lancaster said.

The Jesse Lee Home was opened in 1926 as an orphanage for Alaska Native children who either lost or were separated from their parents because of a deadly tuberculosis epidemic sweeping the territory at the time. It was there that John Ben Benson Jr., a 13-year-old boy from Chignik, came up with the design of the Alaska state flag, which was first officially raised at the site on July 9, 1927.

The orphanage and the more than two acres it occupies have been vacant since the 1964 Good Friday earthquake. The building has slowly been succumbing to the elements.

After many attempts at private development, the property is now in foreclosure by the Kenai Peninsula Borough for delinquent property taxes, said Jeff Sinz, borough finance director.

State law would allow the borough to deed the property to the city after the foreclosure process is completed. But the city doesn't appear to be interested in assuming liability for the property, nor does it have the resources to develop it, said city manager Scott Janke.

"I don't think the property is worth more than the estimated \$180,000 it would cost to raze it," Janke said.

Local historian Tim Sczawinski raised the issue of state ownership of the

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orphanage during a Planning Commission meeting in January.

Seward Museum curator Lee Poleske said he also thinks state ownership is a good idea.

"As far as commemorating the design of the flag, that's a state event, not a local event," Poleske said.

Under the bill, a monument would be erected to honor Benson for his role in designing the state flag. The site also would be used for community events and ceremonies. The building itself may be another matter.

"Unfortunately, it's not repairable, according to the city," Lancaster said.

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P&Z Agenda Statement

Meeting Date: January 2, 2001

From: Rachel James, Planning Technician 

Agenda Item: Jesse Lee Home Property



Situation

In 1995 the City filed a foreclosure action on the Jesse Lee Home property for unpaid assessments and associated penalties and interest. Following that, the City and the property owner entered into a settlement agreement that would have discharged the property assessments if restoration and redevelopment of the historic structures on the Jesse Lee Home properties was completed. That agreement expired on September 30, 2000, and the property owner did not complete the restoration and redevelopment of the Jesse Lee Home.

The City is now in a position to complete the foreclosure process and obtain the property. At that point the City can either declare the property for public use or sell it. This information was presented to the City Council at its October 5, 2000 meeting, and the City Council forwarded the issue to the Planning and Zoning Commission for a recommendation.

Property Description

The property consists of Lots 15A and 15B, Jesse Lee Heights Subdivision, Addition No. 4. Combined together the two lots total just over two and a half acres.

The remaining Jesse Lee Home buildings are located on Lot 15B. Lot 15B is a 72,268 square foot parcel which is primarily accessed off of Phoenix Road. The northeast corner of the lot also adjoins Benson Drive. Lot 15A is an essentially vacant, 43,449 square foot parcel that is accessed off of Benson Drive.

Zoning & Allowed Uses

Both lots are zoned Multi-Family Residential (R3) which allows for a wide variety of uses including:

Housing

Single-Family Homes
Townhouses
Duplexes
Condominiums
Apartment Buildings
Nursing & Retirement Housing

Commercial

Hotels & Motels (by CUP)
Hostels
Convenience Grocery Stores

Other

Senior & Teen Centers
Emergency Facilities
Parking Lots
Public Playgrounds
Schools

Depending on the intended use of the property, the land could be subdivided into lots of 7,000 square feet or greater.

Property Background

The building on the west side of the property (closest to Phoenix Road) is Jewel Guard Hall. It was built in 1925-26. The building to the east of Jewel Guard Hall is the Balto Building. It was constructed in 1937.

The Jesse Lee Home was listed on the National Register of Historic Places in 1995 for two significant reasons: 1) the critical role it played in serving the health care and educational needs of Alaska's native children orphaned during a wave of devastating epidemics, and 2) because the home fostered many children who have distinguished themselves in a wide variety of fields. The most famous of these is John Ben (Benny) Benson, Jr., who, while residing at the home, designed Alaska's flag. The Jesse Lee Home in Seward was also honored as the site where the flag was first officially raised on July 9, 1927.

Following is a list of known owners and projects that have been proposed for the Jesse Lee Home since its closure after the 1964 earthquake.

- 1965 - Alaska Children's Services (Methodist Women's Home Missionary Society) transferred ownership to the City of Seward
- 1970 - Development Corporation of America purchased and proposed development that included condominiums, apartments and a convention hall
- City of Seward had ownership at some point during this time
- ±1973 Last Frontier Inc. purchased and proposed development of a hotel
- ±1981 City of Seward had ownership at some point during this time
- 1984 M&I Partnership (Frank Irick & Mary Bellenir) purchased and proposed development of the home into condominiums and time shares. Frank Irick received a CUP for this project that expired in 1984
- 1991 Billy "Blackjack" Johnson started a movement to raise \$400,000 to purchase the home, and preserve the site as a historical building/museum
- ±1995 Seward Senior Center proposed to restore the buildings for senior housing. According to Judy Martin, who was the Director of the Senior Center at that time, two engineer reviews were completed at that time with conflicting results as to whether the structures could be restored
- 1996 Daniel Claugus, in agreement with Frank Irick, obtained a CUP for a hotel complex. He obtained two extensions and the CUP expired in 1997. According to a 1998 letter from Mr. Irick, Mr. Claugus was unable to obtain financing.
- 1998 Frank Irick obtained a CUP for a hotel complex that expired in 1999

- 1999 Dale Lindsey hired Franklin & Associates, Consulting Engineers, to examine the condition of the building and provide a preliminary opinion as to the feasibility of converting the structure into either a hotel or office building. That evaluation determined that the structure should be considered unstable, and that a significant engineering effort would be required to establish the required structural capacity of the building. The report concluded that, rebuilding the structure will require substantial work and material effort involving all of the basic structural components and will be a relatively expensive undertaking.
- 1999/2000 Yvon Van Driessche, in coordination with other organizations and businesses, examined renovating the building for a rehabilitation school for children.
- 2000 Presently the Seward Unitarian Universalists are examining the possibility of coordinating with the national organization, and other non-profit organizations to restore the structure

City Plan References

1. **Comprehensive Plan (1990)**
Encourage development of affordable housing for Seward's growing housing needs including single and multi-family housing. Continue to encourage the redevelopment of substandard or abandoned housing by enforcement of building codes to require removal - at owners expense - of all unsafe or substandard structures.
2. **Strategic Plan (1999)**
Encourage the recognition, rehabilitation and preservation of historic sites and buildings.
3. **Historic Preservation Plan**
Continue to monitor Jesse Lee Home status and support the efforts to save it. Seek statewide support.

Fiscal Note

If the City decides to sell the property, any proceeds would be used to pay the City's costs in acquiring the property including the delinquent property taxes and special assessments. Any monies left over would be given to Mr. Irick. According to a December 1999 letter from Frank Irick, the approximate cost for demolishing the structure is 185,000.00.

Recommendation

Commission hear public testimony and discuss the Jesse Lee Home property in order to provide a recommendation to the City Council.

MEMORANDUM



DATE: October 5, 2000

TO: Honorable Mayor & Members of Council

THROUGH: Scott Janke, City Manager *JA*

FROM: Rick L. Gifford, Director of Finance *RG*
& Administrative Services

SUBJECT: Jesse Lee Home Properties

The City of Seward had an agreement with Frank Irick, owner of the Jesse Lee Home properties, that would have discharged the Jesse Lee Home assessments if restoration and redevelopment of the historic structures on the Jesse Lee Home properties were completed by September 30, 2000. Please see the attached "Factual Background -- Jesse Lee Home Special Assessments" provided by city attorney Brad Meyen for background history. The agreement has expired and Mr. Irick did not complete the necessary restoration and redevelopment of the historic structures on the Jesse Lee Home properties.

For your information, there are two lots involved with the Jesse Lee Home properties. As of July 1, 1997, the total owed for assessments, penalties, interest and foreclosure costs was \$210,145.27. Interest on that amount continues to accrued at 9% per annum. In addition, Mr. Irick has not paid all of the 1999 Kenai Peninsula Borough property taxes or any of the 2000 property taxes leaving a total due by November 15, 2000 of \$2,206.68 which includes taxes, interest, penalties and other fees.

The following are several options available to the City with regards to the delinquent assessments and the property for further discussion with the City Council:

1. The City has already foreclosed on the property, however to complete the process the City needs to request a Clerk's Deed from the Superior Court. Now that the agreement has expired the City may complete the process. Once the City obtains the deed to the property, the City will be responsible for the property and will need to take basic safety measures to secure the property. This could include boarding the lower level windows and doors and posting no trespassing signs on the property. We also believe that fencing will be necessary. Once the property has been obtained through the Clerk's Deed and secured, the City has several options:
 - a. The City could declare the property for public use and proceed to develop the property for such use. The City would need to pay the delinquent property taxes to the KPB.
 - b. The City could sell the property. The proceeds would be used to pay the City's costs

MEMORANDUM
Jesse Lee Home Properties
Page 2

in acquiring the property including the delinquent property taxes and special assessments. Any monies left over would be given to Mr. Irick.

2. The City could do nothing with the property. If the City did not obtain the Clerk's Deed on the property, the property would remain in limbo for a couple of years when the Kenai Peninsula Borough (KPB) may foreclose on the property for delinquent property taxes. Under the current foreclosure procedures of the KPB, foreclosed properties within cities are deeded over to the cities. The City would then be in a position of declaring the property for public use or selling the property, paying the delinquent taxes and being responsible for the security of the property. If the City kept the property, the property taxes would need to be paid to KPB. If the property were sold, the property taxes would be paid first, then the special assessments. It is unlikely that the proceeds would be enough to pay all the property taxes, special assessments, other costs and still have surplus to give to Mr. Irick.

It is the administration's recommendation that Council schedule a work session to discuss the options available to the City concerning the Jesse Lee Home properties.

If you have any questions please contact myself or Scott Janke.

*Council forwarded to
P&Z Commission for
a recommendation*

Factual Background - Jesse Lee Home Special Assessments

Mr. Frank Irick purchased certain property from the City of Seward, including the two lots currently comprising the Jesse Lee Home property, on December 3, 1983, for \$187,500.00. On May 28, 1985, Mr. Irick entered into a subdivision development agreement with the City of Seward relating to Jesse Lee Heights subdivision addition number 2, lot 3, Seward Recording District. Pursuant to this subdivision agreement, Mr. Irick made certain improvements to the property in connection with subdividing the property into additional lots. In April 1986, the City of Seward created a special assessment district for the construction of additional improvements including paving, sewer trunk, and a water main. These assessments provided benefit to the assessed properties in addition to the improvements that were made by Mr. Irick under the prior subdivision agreement. The special assessment payments for the various lots became due under a payment plan beginning in 1987 and for each year thereafter for a period of ten years. The assessments accrued interest at 9% per annum. Late payments incurred a penalty of 10% and late interest of 12%. These payment terms were outlined in the April 1986 assessment documents approved by the City Council. No one formally objected to the assessments within the required 60 day period.

Mr. Irick sold several of the subdivided lots. The City was not receiving payment of the special assessments against several lots and filed a foreclosure action in April 1995. The foreclosure action was filed against lots owned by Frank Irick, Manfred Dietrich and George Atkinson for all special assessments, interest, penalties, and late interest owed for payments from 1987 through 1994. The court issued a decision in the City's favor and a judgment of foreclosure on March 27, 1996 for amounts owed from 1989 through 1994. (The court deleted payment of assessments that were due in 1987 and 1988 because the six year statute of limitations had expired prior to initiation of the foreclosure proceedings.)

Mr. Irick and Mr. Atkinson appealed the judgment of foreclosure against their properties. Although the City believed the court's decision was sound, the City entertained individual settlement proposals at that time. George Atkinson's settlement agreement required payment of all assessments (except for 1987 and 1988), including the additional years of 1995 and 1996, together with interest at 9%. Payment was to be made within 90 days of settlement. Mr. Atkinson made the payments and redeemed his property.

Manfred Dietrich entered into a settlement agreement which provided a credit in the amount of \$8,792.36 in exchange for a pedestrian and bicycle path easement across his property. This left a balance owed of \$23,232.70. The agreement also provided for a release from the lien against Mr. Dietrich's property if \$15,000 was paid by a certain settlement date. Payment was eventually made and the property redeemed.

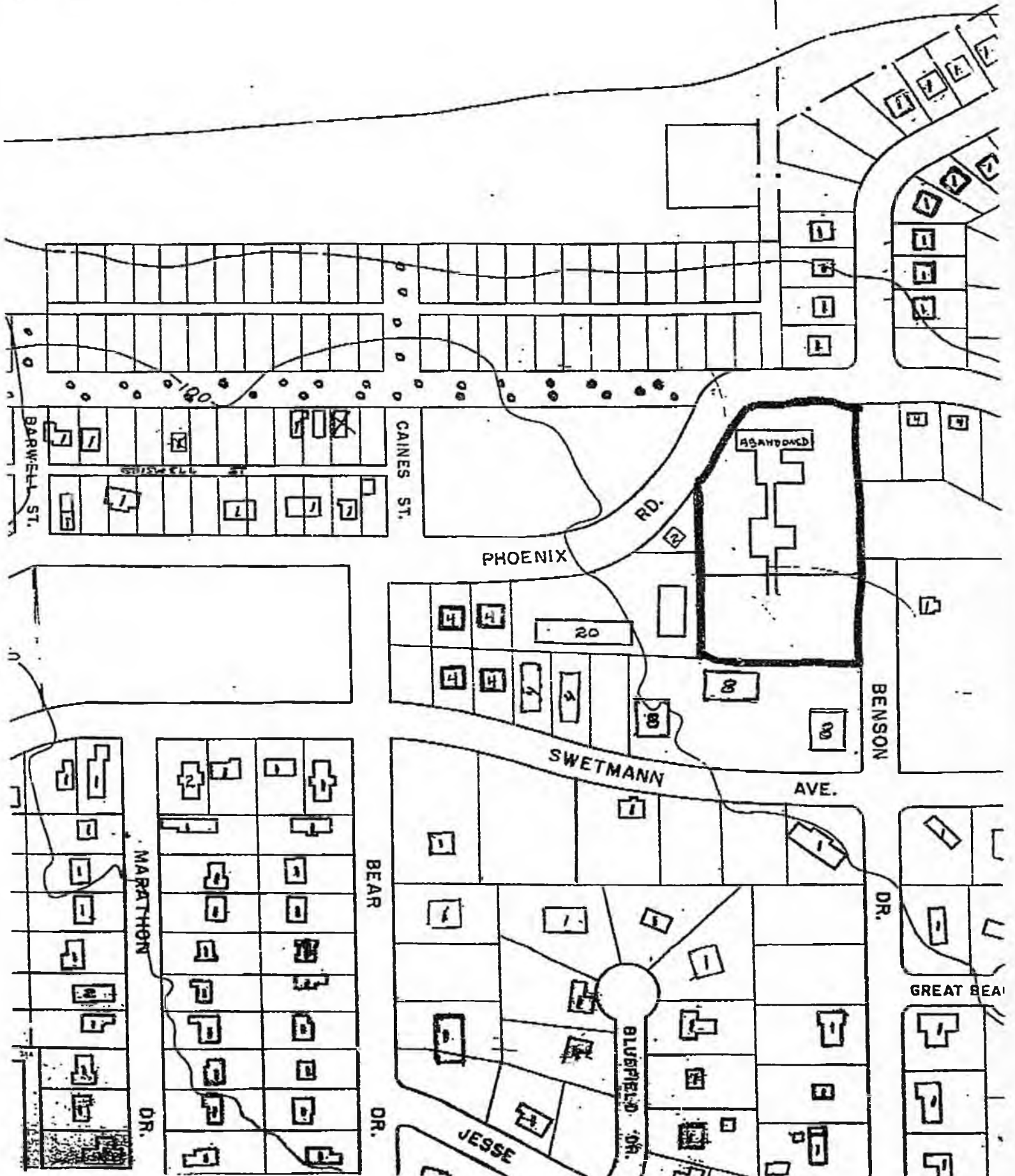
Mr. Irick's settlement agreement required payment of assessments on his lots other than the Jesse Lee Home site within a 90 day period. The assessments on those other lots were paid, and the only amounts remaining unpaid under the agreement are the assessments, interest, penalties, and late interest relating to lots 15A and 15B. Under the

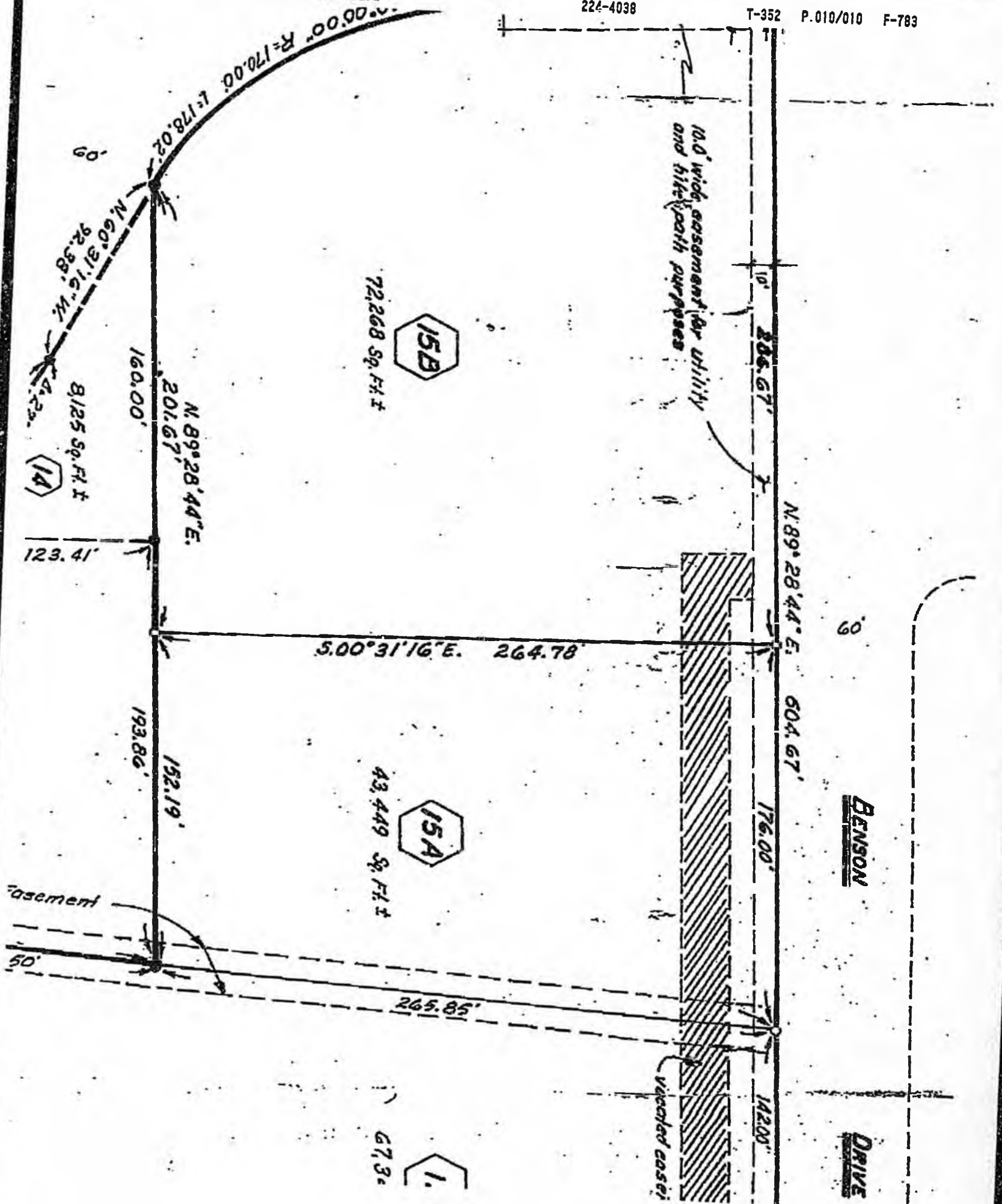
Factual Background - Jesse Lee
Home Special Assessments
Page 2

terms of the agreement that expired September 30, 1998, the Jesse Lee Home assessments would have been discharged if restoration and redevelopment of the historic structures on the Jesse Lee Home properties was completed. "Restoration and redevelopment" under that agreement required returning the Balto building, Jewel Guard Hall, and the remaining buildings of Jesse Lee Home to a condition for human habitation or use through adaptive modification while preserving the original exterior architectural features of the property, all in such manner as to maintain its National Register of Historic Places status and in accordance with the conditional use permit issued by the Seward Planning and Zoning Commission on May 3, 1996. The agreement was extended to September 30, 2000 in exchange for Mr. Irick's agreement to comply with the terms of the conditional use permit dated August 28, 1998, which included construction of a pedestrian/bicycle path.

In sum, the City has foreclosed the property and Mr. Irick may redeem it by paying the assessments and foreclosure costs or he may receive a discharge of the assessments by restoring the property according to the terms of the agreement. Following September 30, 2000, if Mr. Irick has not fulfilled his responsibilities, the City may acquire a clerk's deed to the property and may either sell it (and pay Mr. Irick the excess profits from the sale), keep it and dedicate it to public use, or keep it for other purposes. If title to the property is kept by the City and not dedicated to public use, Mr. Irick may repurchase it within ten years. The repurchase amount shall include all assessments, interest, penalties, and costs.

BEM/tam





Alaska State Legislature

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Representative Ken Lancaster District 8

SPONSOR STATEMENT

HOUSE BILL 96

"An Act relating to acquisition and development of the Jesse Lee Home; and providing for an effective date."

The Jesse Lee Home for Children is located in Seward, Alaska, and is rich in cultural history.

The home was listed on the National Register of Historic Places in 1995 for the critical role it played in serving the health care and educational needs of Alaska Native children orphaned during a wave of devastating epidemics. John Ben (Benny) Benson Jr. had a vision to design a symbol for Alaska while residing at the Jesse Lee Home. That vision became the Alaska State Flag.

The Jesse Lee Home site was honored as the location for the first official raising of the Alaska State flag on July 9, 1927. The home also housed American soldiers during World War II.

The intent of this legislation is to have an advisory committee determine the costs and procedures necessary for the State of Alaska to acquire, develop, and manage the Jesse Lee Home property. The Jesse Lee Home was badly damaged by the 1964 earthquake. It is hoped the property will be acquired by the State and managed in a manner that recognizes its place in the State's history because of the flag raising, and honoring Benny Benson for his role in designing the Alaska State flag.