

HB

54

HFIN

FILE

Adopted

25-LS0284\N
Cook
3/19/08

CS FOR HOUSE BILL NO. 54()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES NEUMAN, Lynn

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to construction of a legislative hall or renovation of an existing building
2 for use as a legislative hall; and repealing provisions relating to relocating the capital,
3 the legislature, or any of the present functions of state government."

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

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

7 **SPECIFICATIONS FOR A LEGISLATIVE HALL.** (a) The Alaska Legislative
8 Council shall develop specifications for construction of a new legislative hall or renovation of
9 an existing building for use as a legislative hall and make those specifications available to
10 legislators and members of the public by July 15, 2009. The specifications must include a
11 method under which the aesthetic appeal of the building will be considered. The legislative
12 hall must meet all fire and building codes, including requirements of 42 U.S.C. 12101 - 12213
13 (Americans with Disabilities Act of 1990), and meet the highest construction and geotechnical
14 engineering standards. The building must contain adequate heating, ventilating, and air

1 conditioning systems, with individual controls for each system. The building must be
2 configured so that office walls are not load bearing. All office rooms must be wired for
3 computer service, telephone service, fax machines, copy machines, cable television, and
4 security cameras. Capacity for additional wiring in the entire building must be provided for.

5 The specifications may provide for the following space:

6 (1) a private office for each legislator and that legislator's staff, with the
7 offices for the Speaker of the House of Representatives and the President of the Senate to be
8 larger than other legislators' offices;

9 (2) a chamber room for each body of the legislature, each with electronic
10 voting boards and other appropriate equipment and with galleries that accommodate the
11 public and the media;

12 (3) a private lounge for legislators located on the same floor as the chambers,
13 with cooking facilities;

14 (4) adequate committee rooms, each with space for committee staff,
15 committee members, and members of the public;

16 (5) a suite of office space for use by the governor, the lieutenant governor, and
17 commissioners or other executive branch staff when they visit the legislative hall;

18 (6) one courtroom and adequate offices for judicial officers of the supreme
19 court and staff;

20 (7) at least one photocopy services room on each floor large enough for at
21 least one photocopier, photocopy and other supplies, and user;

22 (8) a public lounge and restaurant;

23 (9) rooms for security staff, documents, and supplies;

24 (10) office space for each agency of the legislative branch that the legislative
25 council determines should be located with the legislature;

26 (11) office space for the senate secretary and the chief clerk of the house of
27 representatives;

28 (12) a print shop;

29 (13) a maintenance shop;

30 (14) a media office;

31 (15) an area adequate for electronic technology and telecommunications

1 equipment and cabling;

2 (16) a rotunda or atrium of sufficient size for public meetings, celebrations,
3 and events;

4 (17) facilities for the display of Alaska historical exhibits and artifacts;

5 (18) a documents room;

6 (19) a press room with space to rent to press groups;

7 (20) a child care facility;

8 (21) adequate and efficient restrooms on each floor that exceed current code
9 requirements.

10 (b) The specifications prepared by the legislative council must address parking to
11 include at least the following:

12 (1) covered parking on the site of the legislative hall;

13 (2) additional parking on the site of the legislative hall or adjacent to the site;

14 (3) covered walkways from the parking areas required under (1) and (2) of this
15 subsection to the legislative hall; and

16 (4) parking areas for additional vehicles near the site of the legislative hall.

17 (c) Total parking provided for under (b)(2) and (4) of this section must equal or
18 exceed the amount specified in the edition of the International Building Code that is current
19 on the date specifications are completed.

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

22 PROPOSALS FOR THE LEGISLATIVE HALL. On completion of the specifications,
23 the Alaska Legislative Council shall solicit proposals for construction of the legislative hall or
24 renovation of an existing building for use as a legislative hall to be operated, maintained,
25 repaired, and managed by the legislative council for use by the legislature as the location for
26 regular sessions and for interim work. Proposals must include a firm financing commitment
27 for the project and terms on which the project site and completed legislative hall will be made
28 available to the legislature. A proposal may not require payments by the state in excess of \$1
29 per year or provide for a project completion date that is later than June 30, 2014. The proposal
30 must include indemnification of the state for all local assessments or fees other than ordinary
31 utility and municipal service charges. In evaluating each proposal, the legislative council shall

1 consider whether the proposed site

2 (1) has adequate utility services;

3 (2) has adequate airport access;

4 (3) has adequate access by road, air, or marine ferry;

5 (4) is in an area with adequate health, education, and social services facilities

6 and adequate housing opportunities.

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

9 SELECTION OF A PROPOSAL. (a) The Alaska Legislative Council shall review all
10 proposals, conduct inspections, and select a proposal or reject all proposals by December 15,
11 2010. If all proposals are rejected, the legislative council may revise the specifications and
12 establish a new schedule for the solicitation and review of additional proposals for the
13 legislative hall. If a proposal is selected, the legislative council shall submit the proposal to
14 the legislature for its consideration.

15 (b) If the legislature fails to approve the proposal by concurrent resolution adopted by
16 a majority of the members of each house within six months after it is submitted, the legislative
17 council may revise the specifications and establish a new schedule for the solicitation and
18 review of proposals for the legislative hall. A new proposal selected by the legislative council
19 is subject to approval by concurrent resolution.

20 (c) If the legislature approves a proposal by concurrent resolution, the legislative
21 council shall enter into contracts, leases, and other agreements necessary to carry out the
22 terms of the proposal. If the proposal selected is submitted by a municipality and includes a
23 site wholly or partially on state land, the legislative council shall take all action necessary to
24 arrange for the transfer of the land to the municipality at no cost, including introducing
25 legislation to accomplish that purpose.

26 (d) AS 36.30 and the contract procedures adopted by the legislative council under
27 AS 36.30.020 do not apply to the selection of a proposal under this section or to a contract,
28 lease, or other agreement entered into by the legislative council under this section.
29 AS 35.05.010 does not apply to a legislative hall project under this Act.

30 * Sec. 4. AS 44.06.050, 44.06.055, and 44.06.060, commonly referred to as the FRANK
31 initiative, are repealed.

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

3 TRANSITION. Notwithstanding AS 24.05.090 and other provisions of law, if a
4 legislative hall project is approved under this Act, beginning with the first regular session that
5 begins after completion of the project, and each regular session thereafter, the legislature shall
6 convene in that legislative hall. The revisor of statutes shall prepare a bill and submit it to the
7 Alaska Legislative Council making all changes to statutes necessary to conform to this
8 section.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 54(STA)
(H) Publish Date: 3/3/08

Identifier (file name): HB054-DOA-GS-11-27-07 Dept. Affected: Administration
Title: Construction of Legislative Hall RDU: General Services
Sponsor: Representative Neuman Component: Non Public Building Fund
Requester: _____ Component Number: 404

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-----------------------------	-----	-----	-----	-----	-----	-----	-----	-----

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	-----	-----	-----	-----	-----	-----	-----	-----

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time	0.0	0.0	0	0	0	0	0	0
Part-time	0.0	0.0	0	0	0	0	0	0
Temporary	0.0	0.0	0	0	0	0	0	0

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

The Division of General Services does not expect any financial impact as a result of this bill.

Prepared by: Vern Jones
Division: General Services
Approved by: Kevin Brooks Deputy Commissioner
Department of Administration

Phone: 466
Date/Time: 11/27/07 10:00AM
Date: 11/27/2007

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 54(STA)
(H) Publish Date: 3/3/08

Identifier (file name): HB054-GOV-OMB-02-14-08 Dept. Affected: All executive branch
Title: HB 54 Construction of a Legislative Hall RDU: All RDUs
Component: All Components
Sponsor: Representative(s) Neuman, Lynn
Requester: Housn State Affairs Component Number: _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES	FY 2009							
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	.	.	.	.	.	.	.

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	0.0	.	.	.	.	.	.	.

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

* Costs can not be determined at this time since location of a legislative hall has not yet been determined. Once a site is selected, an impact study could be prepared at that time. Potential additional costs will include items such as travel, office space and furnishings, telephone/telecommunication services, the cost of which will vary depending on location.

Prepared by: John Boucher, Economist Phone: 465-4677
Division: Governor's Office of Management and Budget Date/Time: 2/15/08 12:40 PM
Approved by: Karen J. Rehfeld, Director Date: 2/15/2008
Governor's Office of Management and Budget

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHB 54(STA)
(H) Publish Date: 3/3/2008

Identifier (file name): HB54-LEG-COU-02-29-08 Dept. Affected: Legislature
Title: "An Act relating to construction of a legislative hall or renovation of an existing building for use as a legislative..." RDU: Legislative Council
Sponsor: Representative Neuman, Lynn Component: Council and Subcommittees
Requester: House State Affairs Component Number: 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES							
Personal Services							
Travel				12.5*			
Contractual	200.0*		50.0*	50.0*	50.0*	50.0*	350.0*
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	200.0*		50.0*	62.5*	50.0*	50.0*	350.0*

*PLEASE SEE PAGE 3 FOR ADDITIONAL COSTS WHICH VARY BY LOCATION.

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

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

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Ma'ch							
1004 GF	200.0		62.5	50.0	50.0	50.0	350.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	200.0		62.5	50.0	50.0	50.0	350.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

CS HB54(STA) states that the Alaska Legislative Council will develop specifications for construction of a legislative hall or renovation of an existing building for use as a legislative hall and make those specifications available to Legislators and members of the public by July 15, 2009. There are several requirements in the bill intended to create a building with large chambers and committee rooms, restaurant facilities, a spacious rotunda, other amenities, and room to accommodate other branches of government. The building would have modern wiring, state of the art technology, and ample parking lots. Once the specifications are developed, the Legislative Council will solicit proposals for the legislative hall. This legislation also repeals AS 44.06.050, 44.06.055, and 44.06.060, commonly referred to as the FRANK initiative.

Prepared by: Karla Schofield, Deputy Director
Division: Legislative Affairs Agency
Approved by: Pamela Varni, Executive Director
Legislative Affairs Agency

Phone: 465-6626
Date/Time: 2/29/08 2:46 PM
Date: 2/29/2008

FISCAL NOTE #3

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. CSHB 54(STA)

ANALYSIS CONTINUATION

For purposes of this fiscal note, it is assumed that entities submitting proposals would include the City and Borough of Juneau, Fairbanks North Star Borough, Kenai Peninsula Borough, Matanuska-Susitna Borough, and the Municipality of Anchorage. The Alaska Legislative Council shall review all proposals, conduct inspections, and select a proposal or reject all proposals by December 15, 2010. Total lease payments by the Legislature to the successful offeror could not exceed \$1 a year or provide a project completion date that is later than June 30, 2014. If a proposal is selected, the Legislative Council shall submit the proposal to the Legislature for its consideration.

The Legislative Affairs Agency does not have architects on staff who could either develop a building design or provide specifications for a new or renovated legislative hall. Currently, when the Legislature enters into a remodeling project, the Legislature hires architects, mechanical engineers and other professionals to provide bid documents.

This fiscal note assumes that the Alaska Legislative Council would wish to provide general requirements and the entities responding to the request for proposals would have the opportunity to design or remodel a building within the confines of the specifications, which would fit into the individual community. The individual offerors would be financially responsible for coming up with a specific design and bid documents which they would issue for the building of a legislative hall in their community.

This fiscal note does not address the feasibility of the entities responding to the proposal being able to prepare bid documents, acquire local approvals, or hold bonding elections within the timeframe envisioned by this legislation. It also does not address the social and economic impacts to Alaska communities if the Legislature relocated.

Under the scenario in this fiscal note, the Alaska Legislative Council would need to hire a professional architect or firm as a Design Competition Manager to oversee the Design Bid process. This architect would help the Alaska Legislative Council and the Legislative Affairs Agency develop the hall specifications and come up with objective measurables for what constitutes a desired level of (1) basic utility services, (2) airport access (3) road, air or ferry service (4) health, education, and social services facilities and housing opportunities. Opinions on these topics could vary. Interviews would need to be conducted with Legislators and other branches of government to ascertain their needs which the Council and the Legislative Affairs Agency could incorporate into the requirements. This professional would need to remain on board through the Design Bid process to ensure that bids submitted by the entities responding to the proposal could realistically meet the deadlines and building requirements of the Legislative Hall Request for Proposals. The Legislature would likely continue this contract through the building phase to ensure the project remained on track. Estimate \$200,000 in FY 09, \$50,000 in FY10, \$50,000 in FY 11, \$50,000 in FY 12, \$50,000 in FY 13, and \$50,000 in FY14.

For purposes of this fiscal note, it is assumed that Juneau, Fairbanks, Kenai, Wasilla, and Anchorage would submit proposals and the Legislative Council would conduct site visits. Travel costs for the members of the Legislative Council would be absorbed within existing budgets. Travel costs for Legislative Affairs Agency managers are included in this fiscal note as several managers would need to be present during the site visits to ensure a new legislative hall would meet the needs of the Legislature. Estimate \$12,500 in FY 11.

Assuming the Legislature did acquire a new hall or renovated building, the Legislature would need to operate, maintain, repair and manage the new building. The larger hall and parking facilities would increase the maintenance operating budget by an estimated 20%, after allowing for a reduced repair budget, as the hall would be in a new facility. Assuming occupancy in July 1, 2014, estimate \$300,000 per year starting in FY 15.

Assuming the Legislature moved into a new hall, the moving costs for relocating the office furniture and equipment (22 vans) could range between \$50,000 for a local Juneau move, \$330,000 for a move to Fairbanks or Anchorage, \$360,000 for a move to Wasilla, and \$430,000 if the legislative hall were located in Kenai. See Table on page 3.

Almost all positions in the Legislature could be transferred to another location if the winning proposal was located in a place other than Juneau. It is assumed approximately 65 full time employees and their families would elect to move to a new location if the Legislature relocated. The Legislature would pay between \$12,000 and \$13,000 per employee for the move. Costs would range from \$780,000 to \$845,000 depending on the destination. See Table on page 3.

FISCAL NOTE #3

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. CSHB 54(STA)

The session per diem rate paid to Legislators in Juneau fluctuates up and down. Relocating the Legislature will change the per diem rate paid to Legislators because per diem is based on location and the rate Legislators are paid is determined by the distance from their permanent home and the Capitol. Using the per diem rates in effect at this time, and determining which Legislators would receive the 75% local per diem rate, savings and increases are noted in the Table below.

The Legislature may also save on annual Legislator relocation costs if the Legislature met in another location. These estimates are also included in the Table below.

The Legislature currently has space in six state owned buildings in Juneau. If the Legislature occupies a new or remodeled building in another location, the Capitol, Capitol Annex and the Terry Miller Legislative Office Building would likely be converted to other uses. The Terry Miller Legislative Office Building reverts to the City and Borough of Juneau if not used for Legislative office purposes. If the Capitol and Capitol Annex were used for other state offices or sold to a private party, a savings to the Legislature might be realized. If the Capitol and Capitol Annex were donated to the City of Juneau or to another organization no savings to the Legislature would be realized.

The Legislature would also incur costs to reconnect phone and computer systems in the new building or to purchase a new phone system or other equipment. Many of the desks in the current Capitol are built in's. The Legislature would need to either replace these in the new or renovated hall or acquire new furniture. A contingency fund of \$300,000 is estimated.

Some costs and savings would only become apparent if the new building and/or location became a reality. This fiscal note addresses the range of costs foreseen at this time.

*TABLE - TOTAL COSTS BY LOCATION

Various Scenario's

	<u>Juneau</u>	<u>Fairbanks</u>	<u>Kenai</u>	<u>Wasilla</u>	<u>Anchorage</u>	<u>No Bids</u>
<u>One Time Costs</u>						
*On Site Travel	0.0	12.5	12.5	12.5	12.5	0.0
*Contingency Fund	300.0	300.0	300.0	300.0	300.0	0.0
65 Employee Moves	0.0	780.0	845.0	835.0	780.0	0.0
Office Move	50.0	330.0	430.0	300.0	330.0	0.0
*Architect	<u>400.0</u>	<u>400.0</u>	<u>400.0</u>	<u>400.0</u>	<u>400.0</u>	<u>0.0</u>
Total	750.0	1,822.5	1,987.5	1,907.5	1,822.5	0.0

<u>Cost for Each Future Year</u>						
Session Per Diem		-29.0	16.0	-66.0	28.0	0.0
Relocation Expenses		-30.0	-70.0	-125.0	-125.0	0.0
*Maintenance Costs	<u>300.0</u>	<u>300.0</u>	<u>300.0</u>	<u>300.0</u>	<u>300.0</u>	<u>0.0</u>
Total	300.0	241.0	246.0	109.0	203.0	0.0

* Included on the first page financial information.

ALASKA STATE LEGISLATURE

Chair:
Special Committee on Economic Development,
Trade, & Tourism

Vice Chair:
Committee on Labor and Commerce

Vice Chair:
Committee on Transportation

Member:
Committee on Community and Regional Affairs
Special Committee on Oil and Gas



Session:
Alaska State Capitol
Juneau, AK 99801-1182
Phone: (907) 465-2679
Fax: (907) 465-4822
Toll Free (877) 465-2679

Interim:
600 E. Railroad Ave
Wasilla, AK 99654
Phone: (907) 376-2679
Fax: (907) 376-4745

REPRESENTATIVE MARK NEUMAN

Representative_Mark_Neuman@legis.state.ak.us

Explanation of Changes to HB 54 version K to version L

- 1) Page 3 Line 26, following "must include"
Delete "details regarding the financing"
Insert "a firm financing commitment for"
- 2) Page 3 Line 28, following "required"
Delete "lease payments by the legislature"
Insert "payment by the state"
- 3) Page 3 Line 30, before "In evaluating"
Insert "The proposal must include indemnification of the state for all local assessments or fees other than ordinary utility and municipal service charges."
- 4) Page 3 Line 31, following "(1) has"
Delete "basic"
Insert "adequate"
- 5) Page 4 Line 9,
Delete "If all proposals are rejected, the legislative council may revise the specifications and solicit new proposals for the legislative hall"
Insert "If all proposals are rejected, the legislative council may revise the specifications and establish a new schedule for solicitation and review of additional proposals for the Legislative hall."
- 6) Page 4 Line 12,
Delete "(b) If the legislature fails to approve the proposal by concurrent resolution adopted by a majority of the members of each house within six months after it is submitted, the legislative council may revise the specifications and solicit new proposals for the legislative hall."
Insert "(b) If the legislature fails to approve the proposal by concurrent resolution adopted by a majority of the members of each house within six months after it is submitted, the legislative council may revise the specifications and establish a new schedule for the solicitations and review of proposals for the legislative hall."

2007 HOUSE FINANCE COMMITTEE VOTE SHEET

*passed
6-4*

DATE: 3-2008

Amendment: CSHB 54(FIN)

MEMBER

Favor

Oppose

NELSON		
STOLTZE	✓	
THOMAS		✓
CRAWFORD		✓
ROSTER HARRIS	✓	
GARA		✓
HAWKER	✓	
JOULE		✓
KELLY	✓	
CHENAULT	✓	
MEYER	✓	

Yea 6

Nay 4

WD

25-LS0284\K.2
Cook
3/10/08

AMENDMENT

OFFERED IN THE HOUSE
TO: CSHB 54(STA)

BY REPRESENTATIVE MEYER

- 1 Page 3, line 30, following "consider":
- 2 Insert "the cost to state residents of transportation to and from the proposed site based
- 3 on calculations involving transportation costs from at least five cities, including one city in
- 4 each judicial district. The legislative council shall also consider"

ERROR: LOGOFF
 OFFENDING COMMAND: STAFFDATA
 STAGE:
 57
 (Hex)
 -BAVLEVOI-

MD

82v

AMENDMENT 2

OFFERED IN THE HOUSE
TO: CSHB 54(STA)

BY REPRESENTATIVE CRAWFORD

- 1 Page 1, lines 2 - 3:
- 2 Delete "; and repealing provisions relating to relocating the capital, the
- 3 legislature, or any of the present functions of state government"
- 4
- 5 Page 4, line 21, following "purpose.":
- 6 Insert "This subsection does not apply to the extent its requirements are prohibited by
- 7 other law."
- 8
- 9 Page 4, lines 26 - 27:
- 10 Delete all material.
- 11
- 12 Renumber the following bill section accordingly.
- 13
- 14 Page 4, line 30:
- 15 Delete "and other provisions of law"

SLV

adopted

AMENDMENT 3

OFFERED IN THE HOUSE

BY REPRESENTATIVE MEYER

TO: CS HB 54(), Version 25-LS0284M.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24

Page 4, line 1

After "consider"

Insert "the cost to state residents of transportation to and from the proposed site based on calculation involving transportation costs from at least five cities, including one city in each judicial district. The legislative council shall also consider"

adopted

AMENDMENT

7

800

OFFERED IN THE HOUSE

BY REPRESENTATIVE HAWKER

TO: CS HB 54 (Work Draft 25-LS0284L)

- 1 Page 2, lines 18-19
- 2 Delete all material

Adopted

AMENDMENT

5

SCW

OFFERED IN THE HOUSE

BY REPRESENTATIVE HAWKER

TO: CS HB 54 (Work Draft 25-LS0284\L)

- 1 Page 4, lines 30-31
- 2 Delete all material

2007 HOUSE FINANCE COMMITTEE VOTE SHEET

DATE: 3-20-08

Amendment: 5

MEMBER

Favor

Oppose

JOULE	✓	
KELLY	✓	
NELSON <i>absent</i>		
STOLTZE		✓
THOMAS	✓	
CRAWFORD	✓	
██████ HARRIS	✓	
GARA	✓	
HAWKER	✓	
CHENAULT	✓	
MEYER		✓

Yea 8

Nay 2

WD

AMENDMENT 0

OFFERED IN THE HOUSE BY REPRESENTATIVE CRAWFORD

TO: CS HB 54 (), Version 25-LS0284L

1 Page 1, lines 2-3
2 Delete “; and repealing provisions relating to relocating the capital, the
3 legislature, or any of the present functions of state government
4

5 Page 4, line 25
6 Following “purpose.”
7 Insert “This subsection does not apply to the extent its requirements are
8 prohibited by other law.”
9

10 Page 4, lines 30-31
11 Delete all material
12
13 Renumber the following bill section accordingly
14

15 Page 5, line 3
16 Delete “and other provisions of law”
17
18
19
20
21
22
23
24

2007 HOUSE FINANCE COMMITTEE VOTE SHEET

DATE: 3-20-08

Amendment: 7

MEMBER	Favor	Oppose
KELLY		✓
NELSON <i>absent</i>		
STOLTZE		✓
THOMAS		✓
CRAWFORD		✓
FOSTER HARRIS		✓
GARA	✓	
HAWKER		✓
JOULE		✓
MEYER		✓
CHENAULT		✓

Yea 1

Nay 9

82V

*Failed
1-9*

AMENDMENT 7

OFFERED IN THE HOUSE FINANCE COMMITTEE

BY: REP. GARA

TO: CSHB 54

Page 3, lines 20

Insert new subsection

"(d) The qualifying bid that makes the Hall most accessible to the largest number of citizens, and proximate in location to the largest number of citizens, shall be accepted, to the extent any bid is accepted and a decision is made to proceed with a legislative hall move. If a bid is approved under this subsection, and provides for a cost that is approved by the voters, construction of the Hall may proceed even if the cost to the state exceeds \$1 per year."



A RESOLUTION BY
THE JUNEAU CONVENTION & VISITORS BUREAU IN OPPOSITION
TO HB54 AND HB293

HB54 - An Act relating to construction of a legislative hall; and repealing provisions relating to relocating the capital, the legislature, or any of the present functions of state government.

HB293 - An Act relating to the location of the convening of the legislature in session and to the relocation of functions of state government; and providing for an effective date.

WHEREAS the FRANK Initiative was passed by Alaska voters so that Alaska's public would be aware of the full costs associated with moving the capital (Legislature) from Juneau; and

WHEREAS HB 293 and HB 54 both relating to moving the capital (Legislature) have language that would repeal the FRANK Initiative, thereby causing the transparency of government to be compromised by removing any obligation to reveal the costs related to a capital (Legislature) move as desired by Alaska voters; and

WHEREAS a capital (Legislature) move with unknown and unapproved costs by Alaska voters would divert resources that could be better spent on economic development activities, such as tourism marketing which keeps Alaska competitive in the world marketplace and benefits Alaska's small businesses; and

WHEREAS a capital (Legislature) move would have devastating effects on Juneau's hospitality industry and other service sectors in and around Southeast, Alaska,

NOW, THEREFORE, BE IT RESOLVED THAT:

The Juneau Convention & Visitors Bureau, representing 295 businesses, requests the Alaska Legislature to vote no on HB54 and HB293, as contrary to transparency in government and contrary to the desire of Alaska citizens to be informed of costs associated with moving the capital (Legislature).

Adopted by the Juneau Convention & Visitors Bureau Board of Directors on February 20, 2008.

Witnessed by:

Christa Hagan
Chair of the Board of Directors

Attested by:

Lorene Palmer
President/CEO

FEASIBILITY REVIEW

A Legislative Hall in the Matanuska-Susitna Borough



February, 2006

Prepared by

- IFR & ASSOCIATES
- Livingston Slone

Executive Summary

Scope of Report

This report examines the following case:

The Mat-Su Borough decides to build a legislative hall within their jurisdiction. A developer is awarded the project and pays for the entire development. The sole compensation to the developer would be conveyance of Borough lands, which may or may not be contiguous to the legislative hall property.

It attempts to answer the following questions:

- How much land would need to be conveyed in order to make the project economically justifiable to a developer?
- What are the associated net present value, internal rate of return, hurdle rate, and return on investment to this development project?
- Is the development project a good idea and should further study take place?

Methods Employed

In part one a financial model was developed to review the economics of this project. The model determines the land value necessary for conveyance to make the project economically justifiable. It does this by pegging a land value when the net present value of the assumed capital streams associated with this project equal zero at a given discount rate. Internal rate of return, hurdle rate, and return on investment are also determined. In part two a brief review of social and economic indicators relevant to the geographical location of the project is also performed.

Findings

It is reasonable to expect a 6% rate of return on a development project of this type. At this rate the project is economic when a value of \$110M in land is conveyed to a developer as compensation for spending \$81M to build the legislative hall. Further, significant benefits could accrue to all parties involved. That is, the Mat-Su Borough government, local businesses, and the residents of the Mat-Su Borough would all benefit from this project.

Recommendation

It is our recommendation that the Mat-Su Borough engage in further study regarding development of this project.

**A Legislative Hall in the Matanuska-Susitna Borough
Feasibility Review**

TABLE OF CONTENTS

	Page
EXECUTIVE SUMMARY	i
INTRODUCTION.....	1
PART 1: FINANCIAL ANALYSIS.....	2
MODEL EXPLANATION AND OUTPUT	2
PART 2: ECONOMIC REVIEW.....	6
STATISTICS	6
ANALYSIS.....	7
CONCLUSION	7

APPENDICES

Appendix A: Capital Costs and Space Program Assumptions

Appendix B: Financing Details

Appendix C: Financial Model Details

Appendix D: Cost Assumptions

Appendix E: Borough Land Ownership Map

Introduction

A financial and economic review was made of the following case:

The Mat-Su Borough decides to build a legislative hall for the State Legislature within the Borough's jurisdiction. A developer is awarded the project and pays for the entire development. The sole compensation to the developer would be conveyance of Borough lands, which may or may not be contiguous to the legislative hall property.

Assumptions

- Developer is immediately conveyed all lands for compensation
- Estimated capital cost of legislative hall development: \$81,000,000 (see Appendix A)
- Land value for legislative hall site provided by Borough at no cost to developer: \$1M
- Developer completes construction in 24 months
- Developer retains ownership of property (land and improvements) after development completion and leases it to the legislature on a twenty-five year lease at \$1.00 per year
- The lessee (State of Alaska) is responsible for all costs for operation, maintenance, repair, and tenant improvements upon commencement of the lease
- Developer retains all development rights for the site, to include all governmental and commercial uses compatible with a legislative hall
- Developer pays taxes on total value of property (land and improvement): \$82M
- Developer borrows 90% of the funds to finance the project at 7% for 15 years (see Appendix B)
- Developer pays 10% of the project cost with cash
- The break-even discount rate (internal rate of return) used to set the net present value of conveyed lands to zero is 6% (8%, 10%, and 12% are also provided for reference in Appendix C)
- No assumptions are being made as to other revenues, costs, or property value allocation at the end of the twenty-five year lease, as these factors are not definable without further input from the Mat-Su Borough and land development community (see Appendix D)

Part one of this report will address how much land value would need to be conveyed from the Borough to a developer in order to make a project of this magnitude economically justifiable. This will be done through a financial analysis in which a model has been developed to determine land value, net present value, internal rate of return, hurdle rate, and return on investment at the point of project feasibility. Part two of this report will perform a review of social and economic data relevant to the geographical location of the project.

Part 1: Financial Analysis

A model was designed using the assumptions outlined in the Introduction above. Further assumptions were needed and are explained below. The model analyzes assumed capital inflow and outflow streams over the twenty-five year lease period of the project. The inflows represent the value of lands conveyed to the developer in lieu of monetary payment. The outflows represent taxes on the property to be developed and owned by the developer, as well as the debt service required for the development. Net present value (NPV), internal rate of return (IRR), hurdle rate, and return on investment (ROI) were all determined.

Model Explanation and Output

When the future capital streams of a project are discounted back to present day and added to the initial inflow or outflow of capital, the NPV of a project is determined. According to financial theory, when NPV is positive the project is economic and should be undertaken. If the NPV is negative just the opposite is true. When NPV is equal to zero an investor should be, in theory, indifferent as to taking on the project. For the purpose of this report, NPV equals zero is the point at which a project becomes economically justifiable and an investor would accept the project.

When discounting a revenue stream a discount rate must be assumed. The discount rate can be looked at as the rate of return a developer could expect to get on another project of similar risk. That is, the opportunity cost (what a developer is giving up) of taking on the project in question. It is also commonly referred to as the cost of capital.

The IRR is the discount rate at which NPV equals zero, also referred to as the break-even discount rate. A hurdle rate is the minimum required rate of return for an investor. It will be assumed that the hurdle rate is set at the point when the project is economically justifiable (NPV equals zero). Therefore, for the purposes of this report the hurdle rate and the IRR are the same.

ROI is the ratio of investment income to investment capital. To estimate ROI, the project debt service was discounted over its duration using the cost of debt as the discount rate and then adding its present value to the initial outlay of capital by the developer. This was subtracted from the land value conveyed for compensation and used as investment income in the numerator of the ratio calculation. Project debt service discounted over its duration using the cost of debt as the discount rate and then adding its present value to the initial outlay of capital by the developer was used as invested capital in the denominator portion of the ratio calculation.

Typically, ROI looks at the earnings of a stock or business division and is easily deciphered. The assumed capital flows of this project are unconventional, as investment will be spread out over twenty-five years while compensation is received immediately (Table 1 shows the assumed capital inflows and outflows). Although it can be helpful, using ROI as an assessment tool for this project should be done with caution. It is recommended that more attention be given to NPV and IRR as rationale for land value.

Table 1

Period	Capital Inflows at Given Discount Rates (Millions \$)	Capital Outflows (Millions \$)
0	\$110 @ 6%, \$95 @ 8%, \$83 @ 10%, \$74 @ 12%	
1		(\$8.31)
2		(\$8.75)
3		(\$8.75)
4		(\$8.75)
5		(\$8.75)
6		(\$8.77)
7		(\$8.77)
8		(\$8.77)
9		(\$8.77)
10		(\$8.77)
11		(\$8.78)
12		(\$8.78)
13		(\$8.78)
14		(\$8.78)
15		(\$8.78)
16		(\$8.80)
17		(\$8.80)
18		(\$8.80)
19		(\$8.80)
20		(\$8.80)
21		(\$9.6)
22		(\$9.6)

Table 1 Cont.

Period	Capital Inflows at Given Discount Rates (Millions \$)	Capital Outflows (Millions \$)
23		(\$96)
24		(\$96)
25		(\$96)

The model determines the amount of land value that would be required for a project of this nature to become economically justifiable. It does this by pegging the land value when the project NPV equals zero for a given a discount rate (in this case the IRR and hurdle rate). The analysis is done on four different rates: 6%, 8%, 10%, and 12%. Table 2 shows the model output for the four different rates.

Table 2

Discount Rate (IRR and Hurdle Rate)	NPV	ROI	Land Value
6%	0	13 %	\$110M
8%	0	- 3 %	\$95M
10%	0	- 15 %	\$83M
12%	0	- 24 %	\$74M

Figure 1 tells us that for the assumed capital flows associated with this project over twenty-five years, a developer expecting a 12% rate of return would require \$74M in land value to make the project economic. Likewise, a developer expecting a 6% rate of return would require \$110M in land value to make the project economic. Also shown are values for 8% and 10%. A look at the respective ROIs tells us that 6% is probably the most realistic discount rate. This is in line with industry rates of return on similar sized projects in South-Central Alaska for land development.

It is important to note that at this point there is a dearth of knowledge concerning project specifics on the development in question. Therefore the assumptions input into the model are basic. An actual deal concerning a development project of this magnitude would involve many more elements that are not represented in this model. There will be other benefits and costs associated with such an undertaking. Most obvious is the benefit to a developer of the land conveyance.

A Legislative Hall in the Matanuska-Susitna Borough

They would see an increased rate of return on future projects due to a lower initial investment as a result of having no land costs associated with those developments.

Of course there would also be other costs, such as property taxes levied on the conveyed lands. However, costs such as taxes have the potential of being marginalized in a comprehensive deal. One strategy to mitigate tax liability would be to transfer land ownership to a developer in stages over time, in amounts that can be developed during the same period of conveyance.

It is logical to conclude, though not easily determined within the scope of this study, that significant additional financial benefits would accrue to a developer. Under most circumstances, the land would be developed in a manner that produced recurring and/or non-recurring revenue streams, effectively diminishing the Borough's land commitment. Therefore the amount of land value reported in this review as necessary for economic viability runs the risk of being overstated. This assertion can only be validated and better defined through a more comprehensive study.

Part 2: Economic Review

Because compensation for the development project is Borough lands, the question of whether a development company would undertake such a project is important to ask. In studying this question one could assume that lands conveyed to the development company, aside from having its own value derived from the ability to sell it, could also be developed at some point. One key factor to future development on conveyed lands concerns the issue of whether the legislative hall would be constructed in a rural area with an associated "village," or built in a suburban "commercial core" area. Each location option contains a unique set of economic impact implications. The more rural "village" location necessitates more infrastructure costs and is more influenced by the seasonal nature of the Legislature's session. The suburban "commercial core" location assumes ready infrastructure and more year-round adjacent commercial activities. This lessens the seasonal economic impacts upon the development. For purposes of this review, we have assumed a project located within the Borough's core area between Palmer and Wasilla (see Appendix E). The next question becomes one of whether the Mat-Su Borough is an attractive place to invest for purposes of land development.

It can be assumed development companies are looking for business and need land to develop projects. Further, when making project location decisions a development company must choose where to extend its limited resources. A choice to take on a project in one area limits its capacity to take on a project in another area. Therefore, careful consideration is given as to where it is best to allocate resources.

In South-Central Alaska, a safe assumption would be that the Mat-Su Borough and Anchorage are two of the largest economic areas in the region with great potential for development. Another sound assumption would be that a development company located in Anchorage or the Mat-Su Borough could develop a project in either area. So which area do you choose? A look at some relevant statistics can help answer this question.

Statistics

The Anchorage Daily news recently reported that according to the State of Alaska, in a report done in conjunction with the U.S. Census Bureau, the Mat-Su Borough expanded by 5 percent last year, to 74,000 people. That makes it the largest growth center in the State. In contrast, Anchorage grew by only 0.1 percent. Further, as nearly 2,900 people moved into the Borough

A Legislative Hall in the Matanuska-Susitna Borough

about the same amount left Anchorage, implying that the Mat-Su Borough's population growth can largely be attributed to people leaving Anchorage.¹

That is in line with the predictions of the Institute for Social and Economic Research (ISER) located in Anchorage, Alaska. In a November 2004 report ISER did for Chugach Electric Association, economist Scott Goldsmith concludes that the rate of growth in the Mat-Su Borough would surpass Anchorage by as much as 3 times over the next 25 years. He calculated a Borough population of 156,000 by 2030. This is expected even without construction of a much-anticipated Knik Arm bridge.²

Analysis

As land in Anchorage becomes scarce and housing values climb it appears people are leaving Anchorage for the Mat-Su Borough. The resulting population growth creates a demand for residential and commercial developments. In order to absorb this growth the Mat-Su Borough will need to open up government land for private development. The Borough needs these developments in order to manage its growth properly, as the residents of the Borough would benefit through both greater access to business resources through commercial development and lower home prices by increasing the amount of available homes through residential development.

Conclusion

Setting aside any political considerations, it is our opinion that the arrangement studied herein for the development of a legislative hall in the Mat-Su Borough is a sound concept. It would be a positive program to implement the much-needed conveyance of Borough land into private hands. It is reasonable that a developer would take on the project for lands in lieu of monetary compensation, as the Mat-Su Borough is an attractive area to develop residential and commercial properties, given the Mat-Su's geographical relationship to Anchorage. Residents and businesses of the Borough would benefit as well. In economics this situation is referred to as *pareto optimal*. That is, everyone benefits and no one loses. It is our recommendation that the Mat-Su Borough engage in further study regarding development of this project.

¹ Anchorage Daily News, 1/26/2006, "Valley growth gains speed," Kyle Hopkins

² Institute for Social and Economic Research, 11/1/2004, "Economic Projections for Alaska and the Southern Railbelt," Scott Goldsmith,
<http://www.iser.uaa.alaska.edu/Publications/epaksouthrail04/railbelt04.htm>

**Appendix A:
Capital Costs and Space
Program Assumptions**

Anticipated Project Capital Costs

Land +/- 160 Acres (Government Provided)	\$0
Construction (Sitework and Building with Group I Casework)	\$60,000,000
Project Development (Design, Permitting, Legal Reviews, Site Data, Administration/Management, Contingency and Development Fees)	\$21,000,000
Total Capital Cost	\$81,000,000

Notes:

1. Current (2006) Values
2. Exclusive of Financing Costs
3. All Group II and III Moveable Furniture and Equipment, Communications Equipment and Computers are by Others

A Legislative Hall in the Matanuska-Susitna Borough - Feasibility Review

Space Components and Areas

	Number of Rooms	N.S.F. per Room	Total N.S.F.	Area Totals NSF
Executive Branch Visiting Offices				4,290
Governor	1	1000	1000	
Lt. Governor	1	600	600	
Commissioners	6	600	3600	
Conference	1	800	800	
Reception	1	400	400	
Copy Room	1	200	200	
Washrooms	2	300	600	
Circulation	10%	3900	390	
Senate				36,388
President's Office	1	1080	1080	
Legislative Office	17	760	12920	
Finance Comm Co-Chair	2	960	1920	
Senate Secty	1	720	720	
Finance Comm Hearing Rm	1	1500	1500	
Finance Com Secty	1	260	260	
Hearing Rooms	8	1000	8000	
Special Mtg/Conf Rooms	4	350	1400	
Chambers	1	2875	2875	
Gallery	1	1600	1600	
Page Room	1	290	290	
Media/Press Web Room	1	600	600	
Copy Room	1	528	528	
Circulation	8%	33693	2695	
House				53,669
Speakers Office	1	1080	1080	
Legislative Office	37	760	28120	
Finance Committee Co-Chair	2	960	1920	
House Clerk	1	820	820	
Finance Committee Hearing Rm	1	1500	1500	
Finance Committee Secty	1	260	260	
Hearing Rooms	8	1000	8000	
Special Mtg/Conf Rooms	4	350	1400	
Chambers	1	4000	4000	
Gallery	1	1600	1600	
Page room	1	290	290	
Media/Press/Web	1	600	600	
Copy room	1	568	568	
Circulation	7%	50158	3511	
Legislative Affairs				4,218
Executive Director	1	800	800	
Legislative Information Office	1	1500	1500	
Senate/House Records	1	1200	1200	
Legal Sattelite	1	200	200	
Circulation	14%	3700	518	

	Number of Rooms	N.S.F. per Room	Total N.S.F.	Area Totals NSF
Legislative Support				7,362
Supply/Mail/Doc Distribution	1	1450	1450	
Data Services	1	1600	1600	
Staff Break Rooms	4	352	1408	
Legislative Lounge	1	2000	2000	
Circulation	14%	6458	904	
Public Space				16,500
Visitor's Business Center	1	2000	2000	
Press Room/Storage	1	800	800	
Public Café	1	2000	2000	
Gathering/Public Display	1	10000	10000	
Security/Information	1	200	200	
Circulation	10.00%	15000	1500	
Building Support				11,861
Building Manager Office	1	300	300	
Security Office	1	250	250	
Building Maintenance Shop	1	2080	2080	
Loading Dock	1	460	460	
Receiving/Staging	1	500	500	
Trash Recycle/Storage	1	500	500	
Groundskeeping Storage	1	1000	1000	
Custodial Supplies	1	500	500	
Electrical	1	1000	1000	
Heating Plant	1	4000	4000	
Circulation	12%	10590	1271	
TOTAL NET SQUARE FEET				134,288
GROSSING FACTOR			33%	44,762
TOTAL GROSS SQUARE FEET				179,051

Sources: 1. House Bill 23
2. Alaska State Capitol; Space Program January 2005

Appendix B: Financing Details

Financing Details

Loan amount	\$72,900,000
Annual interest rate	7%
Loan period in years	15
Start date of loan	1/31/07

		Annual
Monthly payment	\$655,245.81	\$7,862,950
Number of payments	180	
Total interest	\$45,044,245.70	
Total cost of loan	#####	

No.	Payment Date	Beginning Balance	Payment	Principal	Interest	Ending Balance
1	3/3/07	\$ 72,900,000.00	\$ 655,245.81	\$ 229,995.81	\$ 425,250.00	\$ 72,670,004.19
2	3/31/07	72,670,004.19	655,245.81	231,337.45	423,908.36	72,438,666.74
3	5/1/07	72,438,666.74	655,245.81	232,686.92	422,558.89	72,205,979.82
4	5/31/07	72,205,979.82	655,245.81	234,044.26	421,201.55	71,971,935.56
5	7/1/07	71,971,935.56	655,245.81	235,409.52	419,836.29	71,736,526.04
6	7/31/07	71,736,526.04	655,245.81	236,782.74	418,463.07	71,499,743.30
7	8/31/07	71,499,743.30	655,245.81	238,163.97	417,081.84	71,261,579.33
8	10/1/07	71,261,579.33	655,245.81	239,553.26	415,692.55	71,022,026.06
9	10/31/07	71,022,026.06	655,245.81	240,950.66	414,295.15	70,781,075.40
10	12/1/07	70,781,075.40	655,245.81	242,356.20	412,839.61	70,538,719.20
11	12/31/07	70,538,719.20	655,245.81	243,769.95	411,475.86	70,294,949.25
12	1/31/08	70,294,949.25	655,245.81	245,191.94	410,053.87	70,049,757.32
13	3/2/08	70,049,757.32	655,245.81	246,622.23	408,623.58	69,803,135.09
14	3/31/08	69,803,135.09	655,245.81	248,060.85	407,184.95	69,555,074.24
15	5/1/08	69,555,074.24	655,245.81	249,507.88	405,737.92	69,305,566.36
16	5/31/08	69,305,566.36	655,245.81	250,963.34	404,282.47	69,054,603.02
17	7/1/08	69,054,603.02	655,245.81	252,427.29	402,818.52	68,802,175.73
18	7/31/08	68,802,175.73	655,245.81	253,899.78	401,346.03	68,548,275.94
19	8/31/08	68,548,275.94	655,245.81	255,380.87	399,864.94	68,292,895.08
20	10/1/08	68,292,895.08	655,245.81	256,870.59	398,375.22	68,036,024.49
21	10/31/08	68,036,024.49	655,245.81	258,369.00	396,876.81	67,777,655.49
22	12/1/08	67,777,655.49	655,245.81	259,876.15	395,369.66	67,517,779.34
23	12/31/08	67,517,779.34	655,245.81	261,392.10	393,853.71	67,256,387.24

No.	Payment Date	Beginning Balance	Payment	Principal	Interest	Ending Balance
24	1/31/09	67,256,387.24	655,245.81	262,916.88	392,328.93	66,993,470.36
25	3/3/09	66,993,470.36	655,245.81	264,450.57	390,795.24	66,729,019.79
26	3/31/09	66,729,019.79	655,245.81	265,993.19	389,252.62	66,463,026.60
27	5/1/09	66,463,026.60	655,245.81	267,544.82	387,700.99	66,195,481.78
28	5/31/09	66,195,481.78	655,245.81	269,105.50	386,140.31	65,926,376.28
29	7/1/09	65,926,376.28	655,245.81	270,675.28	384,570.53	65,655,701.00
30	7/31/09	65,655,701.00	655,245.81	272,254.22	382,991.59	65,383,446.77
31	8/31/09	65,383,446.77	655,245.81	273,842.37	381,403.44	65,109,604.40
32	10/1/09	65,109,604.40	655,245.81	275,439.78	379,806.03	64,834,164.62
33	10/31/09	64,834,164.62	655,245.81	277,046.52	378,199.29	64,557,118.11
34	12/1/09	64,557,118.11	655,245.81	278,662.62	376,583.19	64,278,455.48
35	12/31/09	64,278,455.48	655,245.81	280,288.15	374,957.66	63,998,167.33
36	1/31/10	63,998,167.33	655,245.81	281,923.17	373,322.64	63,716,244.17
37	3/3/10	63,716,244.17	655,245.81	283,567.72	371,678.09	63,432,676.45
38	3/31/10	63,432,676.45	655,245.81	285,221.86	370,023.95	63,147,454.58
39	5/1/10	63,147,454.58	655,245.81	286,885.66	368,360.15	62,860,568.93
40	5/31/10	62,860,568.93	655,245.81	288,559.16	366,686.65	62,572,009.77
41	7/1/10	62,572,009.77	655,245.81	290,242.42	365,003.39	62,281,767.35
42	7/31/10	62,281,767.35	655,245.81	291,935.50	363,310.31	61,989,831.85
43	8/31/10	61,989,831.85	655,245.81	293,638.46	361,607.35	61,696,193.39
44	10/1/10	61,696,193.39	655,245.81	295,351.35	359,894.46	61,400,842.04
45	10/31/10	61,400,842.04	655,245.81	297,074.23	358,171.58	61,103,767.81
46	12/1/10	61,103,767.81	655,245.81	298,807.16	356,438.65	60,804,960.65
47	12/31/10	60,804,960.65	655,245.81	300,550.21	354,695.60	60,504,410.44
48	1/31/11	60,504,410.44	655,245.81	302,303.42	352,942.39	60,202,107.03
49	3/3/11	60,202,107.03	655,245.81	304,066.85	351,178.96	59,898,040.18
50	3/31/11	59,898,040.18	655,245.81	305,840.58	349,405.23	59,592,199.60
51	5/1/11	59,592,199.60	655,245.81	307,624.65	347,621.16	59,284,574.96
52	5/31/11	59,284,574.96	655,245.81	309,419.12	345,826.69	58,975,155.83
53	7/1/11	58,975,155.83	655,245.81	311,224.07	344,021.74	58,663,931.77
54	7/31/11	58,663,931.77	655,245.81	313,039.54	342,206.27	58,350,892.23
55	8/31/11	58,350,892.23	655,245.81	314,865.60	340,380.20	58,036,026.62
56	10/1/11	58,036,026.62	655,245.81	316,702.32	338,543.49	57,719,324.30
57	10/31/11	57,719,324.30	655,245.81	318,549.75	336,696.06	57,400,774.55
58	12/1/11	57,400,774.55	655,245.81	320,407.96	334,837.85	57,080,366.59
59	12/31/11	57,080,366.59	655,245.81	322,277.00	332,968.81	56,758,089.59
60	1/31/12	56,758,089.59	655,245.81	324,156.95	331,088.86	56,433,932.63
61	3/2/12	56,433,932.63	655,245.81	326,047.87	329,197.94	56,107,884.77
62	3/31/12	56,107,884.77	655,245.81	327,949.81	327,295.99	55,779,934.95
63	5/1/12	55,779,934.95	655,245.81	329,862.86	325,382.95	55,450,072.09
64	5/31/12	55,450,072.09	655,245.81	331,787.06	323,458.75	55,118,285.04
65	7/1/12	55,118,285.04	655,245.81	333,722.48	321,523.33	54,784,562.56
66	7/31/12	54,784,562.56	655,245.81	335,669.19	319,576.61	54,448,893.36
67	8/31/12	54,448,893.36	655,245.81	337,627.26	317,618.54	54,111,266.10
68	10/1/12	54,111,266.10	655,245.81	339,596.76	315,649.05	53,771,669.34
69	10/31/12	53,771,669.34	655,245.81	341,577.74	313,668.07	53,430,091.60
70	12/1/12	53,430,091.60	655,245.81	343,570.28	311,675.53	53,086,521.33

No.	Payment Date	Beginning Balance	Payment	Principal	Interest	Ending Balance
71	12/31/12	53,086,521.33	655,245.81	345,574.44	309,671.37	52,740,946.89
72	1/31/13	52,740,946.89	655,245.81	347,590.29	307,655.52	52,393,356.61
73	3/3/13	52,393,356.61	655,245.81	349,617.90	305,627.91	52,043,738.71
74	3/31/13	52,043,738.71	655,245.81	351,657.33	303,588.48	51,692,081.38
75	5/1/13	51,692,081.38	655,245.81	353,708.67	301,537.14	51,338,372.71
76	5/31/13	51,338,372.71	655,245.81	355,771.97	299,473.84	50,982,600.74
77	7/1/13	50,982,600.74	655,245.81	357,847.31	297,398.50	50,624,753.44
78	7/31/13	50,624,753.44	655,245.81	359,934.75	295,311.06	50,264,818.69
79	8/31/13	50,264,818.69	655,245.81	362,034.37	293,211.44	49,902,784.32
80	10/1/13	49,902,784.32	655,245.81	364,146.23	291,099.58	49,538,638.09
81	10/31/13	49,538,638.09	655,245.81	366,270.42	288,975.39	49,172,367.67
82	12/1/13	49,172,367.67	655,245.81	368,407.00	286,838.81	48,803,960.67
83	12/31/13	48,803,960.67	655,245.81	370,556.04	284,689.77	48,433,404.63
84	1/31/14	48,433,404.63	655,245.81	372,717.62	282,528.19	48,060,687.01
85	3/3/14	48,060,687.01	655,245.81	374,891.80	280,354.01	47,685,795.21
86	3/31/14	47,685,795.21	655,245.81	377,078.67	278,167.14	47,308,716.54
87	5/1/14	47,308,716.54	655,245.81	379,278.30	275,967.51	46,929,438.25
88	5/31/14	46,929,438.25	655,245.81	381,490.75	273,755.06	46,547,947.49
89	7/1/14	46,547,947.49	655,245.81	383,716.12	271,529.69	46,164,231.38
90	7/31/14	46,164,231.38	655,245.81	385,954.46	269,291.35	45,778,276.92
91	8/31/14	45,778,276.92	655,245.81	388,205.86	267,039.95	45,390,071.06
92	10/1/14	45,390,071.06	655,245.81	390,470.39	264,775.41	44,999,600.66
93	10/31/14	44,999,600.66	655,245.81	392,748.14	262,497.67	44,606,852.52
94	12/1/14	44,606,852.52	655,245.81	395,039.17	260,206.64	44,211,813.35
95	12/31/14	44,211,813.35	655,245.81	397,343.56	257,902.24	43,814,469.79
96	1/31/15	43,814,469.79	655,245.81	399,661.40	255,584.41	43,414,808.39
97	3/3/15	43,414,808.39	655,245.81	401,992.76	253,253.05	43,012,815.63
98	3/31/15	43,012,815.63	655,245.81	404,337.72	250,908.09	42,608,477.91
99	5/1/15	42,608,477.91	655,245.81	406,696.35	248,549.45	42,201,781.55
100	5/31/15	42,201,781.55	655,245.81	409,068.75	246,177.06	41,792,712.80
101	7/1/15	41,792,712.80	655,245.81	411,454.98	243,790.82	41,381,257.82
102	7/31/15	41,381,257.82	655,245.81	413,855.14	241,390.67	40,967,402.68
103	8/31/15	40,967,402.68	655,245.81	416,269.29	238,976.52	40,551,133.38
104	10/1/15	40,551,133.38	655,245.81	418,697.53	236,548.28	40,132,435.85
105	10/31/15	40,132,435.85	655,245.81	421,139.93	234,105.88	39,711,295.92
106	12/1/15	39,711,295.92	655,245.81	423,596.58	231,649.23	39,287,699.34
107	12/31/15	39,287,699.34	655,245.81	426,067.56	229,178.25	38,861,631.77
108	1/31/16	38,861,631.77	655,245.81	428,552.96	226,692.85	38,433,078.81
109	3/2/16	38,433,078.81	655,245.81	431,052.85	224,192.96	38,002,025.97
110	3/31/16	38,002,025.97	655,245.81	433,567.32	221,678.48	37,568,458.64
111	5/1/16	37,568,458.64	655,245.81	436,096.47	219,149.34	37,132,362.17
112	5/31/16	37,132,362.17	655,245.81	438,640.36	216,605.45	36,693,721.81
113	7/1/16	36,693,721.81	655,245.81	441,199.10	214,046.71	36,252,522.71
114	7/31/16	36,252,522.71	655,245.81	443,772.76	211,473.05	35,808,749.95
115	8/31/16	35,808,749.95	655,245.81	446,361.43	208,884.37	35,362,388.52
116	10/1/16	35,362,388.52	655,245.81	448,965.21	206,280.60	34,913,423.31
117	10/31/16	34,913,423.31	655,245.81	451,584.17	203,661.64	34,461,839.13

No.	Payment Date	Beginning Balance	Payment	Principal	Interest	Ending Balance
118	12/1/16	34,461,839.13	655,245.81	454,218.41	201,027.39	34,007,620.72
119	12/31/16	34,007,620.72	655,245.81	456,868.02	198,377.79	33,550,752.70
120	1/31/17	33,550,752.70	655,245.81	459,533.09	195,712.72	33,091,219.61
121	3/3/17	33,091,219.61	655,245.81	462,213.70	193,032.11	32,629,005.92
122	3/31/17	32,629,005.92	655,245.81	464,909.94	190,335.87	32,164,095.97
123	5/1/17	32,164,095.97	655,245.81	467,621.92	187,623.89	31,696,474.06
124	5/31/17	31,696,474.06	655,245.81	470,349.71	184,896.10	31,226,124.35
125	7/1/17	31,226,124.35	655,245.81	473,093.42	182,152.39	30,753,030.93
126	7/31/17	30,753,030.93	655,245.81	475,853.13	179,392.68	30,277,177.80
127	8/31/17	30,277,177.80	655,245.81	478,628.94	176,616.87	29,798,548.86
128	10/1/17	29,798,548.86	655,245.81	481,420.94	173,824.87	29,317,127.92
129	10/31/17	29,317,127.92	655,245.81	484,229.23	171,016.58	28,832,898.69
130	12/1/17	28,832,898.69	655,245.81	487,053.90	168,191.91	28,345,844.79
131	12/31/17	28,345,844.79	655,245.81	489,895.05	165,350.76	27,855,949.74
132	1/31/18	27,855,949.74	655,245.81	492,752.77	162,493.04	27,363,196.97
133	3/3/18	27,363,196.97	655,245.81	495,627.16	159,618.65	26,867,569.81
134	3/31/18	26,867,569.81	655,245.81	498,518.32	156,727.49	26,369,051.49
135	5/1/18	26,369,051.49	655,245.81	501,426.34	153,819.47	25,867,625.15
136	5/31/18	25,867,625.15	655,245.81	504,351.33	150,894.48	25,363,273.82
137	7/1/18	25,363,273.82	655,245.81	507,293.38	147,952.43	24,855,980.44
138	7/31/18	24,855,980.44	655,245.81	510,252.59	144,993.22	24,345,727.85
139	8/31/18	24,345,727.85	655,245.81	513,229.06	142,016.75	23,832,498.79
140	10/1/18	23,832,498.79	655,245.81	516,222.90	139,022.91	23,316,275.89
141	10/31/18	23,316,275.89	655,245.81	519,234.20	136,011.61	22,797,041.69
142	12/1/18	22,797,041.69	655,245.81	522,263.07	132,982.74	22,274,778.62
143	12/31/18	22,274,778.62	655,245.81	525,309.60	129,936.21	21,749,469.02
144	1/31/19	21,749,469.02	655,245.81	528,373.91	126,871.90	21,221,095.11
145	3/3/19	21,221,095.11	655,245.81	531,456.09	123,789.72	20,689,639.03
146	3/31/19	20,689,639.03	655,245.81	534,556.25	120,689.56	20,155,082.78
147	5/1/19	20,155,082.78	655,245.81	537,674.49	117,571.32	19,617,408.29
148	5/31/19	19,617,408.29	655,245.81	540,810.93	114,434.88	19,076,597.36
149	7/1/19	19,076,597.36	655,245.81	543,965.66	111,280.15	18,532,631.70
150	7/31/19	18,532,631.70	655,245.81	547,138.79	108,107.02	17,985,492.91
151	8/31/19	17,985,492.91	655,245.81	550,330.43	104,915.38	17,435,162.47
152	10/1/19	17,435,162.47	655,245.81	553,540.70	101,705.11	16,881,621.78
153	10/31/19	16,881,621.78	655,245.81	556,769.68	98,476.13	16,324,852.10
154	12/1/19	16,324,852.10	655,245.81	560,017.51	95,228.30	15,764,834.59
155	12/31/19	15,764,834.59	655,245.81	563,284.27	91,961.54	15,201,550.32
156	1/31/20	15,201,550.32	655,245.81	566,570.10	88,675.71	14,634,980.22
157	3/2/20	14,634,980.22	655,245.81	569,875.09	85,370.72	14,065,105.13
158	3/31/20	14,065,105.13	655,245.81	573,199.36	82,046.45	13,491,905.76
159	5/1/20	13,491,905.76	655,245.81	576,543.03	78,702.78	12,915,362.74
160	5/31/20	12,915,362.74	655,245.81	579,906.19	75,339.62	12,335,456.54
161	7/1/20	12,335,456.54	655,245.81	583,288.98	71,956.83	11,752,167.56
162	7/31/20	11,752,167.56	655,245.81	586,691.50	68,554.31	11,165,476.07
163	8/31/20	11,165,476.07	655,245.81	590,113.87	65,131.94	10,575,362.20
164	10/1/20	10,575,362.20	655,245.81	593,556.20	61,689.61	9,981,806.00

No.	Payment Date	Beginning Balance	Payment	Principal	Interest	Ending Balance
165	10/31/20	9,981,806.00	655,245.81	597,018.61	58,227.20	9,384,787.40
166	12/1/20	9,384,787.40	655,245.81	600,501.22	54,744.59	8,784,286.18
167	12/31/20	8,784,286.18	655,245.81	604,004.14	51,241.67	8,180,282.04
168	1/31/21	8,180,282.04	655,245.81	607,527.50	47,718.31	7,572,754.54
169	3/3/21	7,572,754.54	655,245.81	611,071.41	44,174.40	6,961,683.13
170	3/31/21	6,961,683.13	655,245.81	614,635.99	40,609.82	6,347,047.14
171	5/1/21	6,347,047.14	655,245.81	618,221.37	37,024.44	5,728,825.77
172	5/31/21	5,728,825.77	655,245.81	621,827.66	33,418.15	5,106,998.12
173	7/1/21	5,106,998.12	655,245.81	625,454.99	29,790.82	4,481,543.13
174	7/31/21	4,481,543.13	655,245.81	629,103.47	26,142.33	3,852,439.65
175	8/31/21	3,852,439.65	655,245.81	632,773.24	22,472.56	3,219,666.41
176	10/1/21	3,219,666.41	655,245.81	636,464.42	18,781.39	2,583,201.99
177	10/31/21	2,583,201.99	655,245.81	640,177.13	15,068.68	1,943,024.86
178	12/1/21	1,943,024.86	655,245.81	643,911.50	11,334.31	1,299,113.36
179	12/31/21	1,299,113.36	655,245.81	647,667.65	7,578.16	651,445.71
180	1/31/22	651,445.71	655,245.81	651,445.71	3,800.10	0.00

Appendix C: Financial Model Details

A Legislative Hall in the Matanuska Susitna Borough
Financial Model Details

Year:	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Period:	0	1	2	3	4	5	6	7	8	9	10	11	12
Capital Outflows													
Down Payment for Financing	\$9,100,000												
Debt Service (\$72,900,000 @ 7% for 15 yrs)		\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950
Taxes		\$442,800	\$885,600	\$885,600	\$885,600	\$885,600	\$903,312	\$903,312	\$903,312	\$903,312	\$903,312	\$921,378	\$921,378
Total:	\$9,100,000	\$8,305,750	\$1,748,550	\$8,748,550	\$8,748,550	\$8,748,550	\$8,766,262	\$8,766,262	\$8,766,262	\$8,766,262	\$8,766,262	\$8,784,328	\$8,784,328
Capital Inflows													
Land (In Lieu of Monetary Payment)	\$109,521,686												
Total:	\$109,521,686	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Total:	\$101,421,686	(\$8,305,750)	(\$8,748,550)	(\$8,748,550)	(\$8,748,550)	(\$8,748,550)	(\$8,766,262)	(\$8,766,262)	(\$8,766,262)	(\$8,766,262)	(\$8,766,262)	(\$8,784,328)	(\$8,784,328)

Year:	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Period:	13	14	15	16	17	18	19	20	21	22	23	24	25
Capital Outflows													
Down Payment for Financing													
Debt Service (\$72,900,000 @ 7% for 15)	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950
Taxes	\$921,378	\$921,378	\$921,378	\$939,806	\$939,806	\$939,806	\$939,806	\$939,806	\$958,602	\$958,602	\$958,602	\$958,602	\$958,602
Total:	\$8,784,328	\$8,784,328	\$8,784,328	\$8,802,756	\$8,802,756	\$8,802,756	\$8,802,756	\$8,802,756	\$958,602	\$958,602	\$958,602	\$958,602	\$958,602
Capital Inflows													
Land (In Lieu of Monetary Payment)													
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Total:	(\$8,784,328)	(\$8,784,328)	(\$8,784,328)	(\$8,802,756)	(\$8,802,756)	(\$8,802,756)	(\$8,802,756)	(\$8,802,756)	(\$958,602)	(\$958,602)	(\$958,602)	(\$958,602)	(\$958,602)

NPV:	0
Input (Hurdle Rate) IRR:	8%
ROI:	13%
Input Land Value Required:	\$109,521,686

A Legislative Hall in the Matanuska-Susitna Borough
Financial Model Details

Year:	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Period:	0	1	2	3	4	5	6	7	8	9	10	11	12
Capital Outflows													
Down Payment for Financing	\$8,100,000												
Debt Service (\$72,900,000 @ 7% for 15 yrs)		\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950
Taxes		\$42,800	\$85,600	\$85,600	\$85,600	\$85,600	\$85,600	\$903,312	\$903,312	\$903,312	\$903,312	\$903,312	\$921,370
Total:	\$8,100,000	\$8,305,750	\$8,748,550	\$8,748,550	\$8,748,550	\$8,748,550	\$8,748,550	\$8,766,262	\$8,766,262	\$8,766,262	\$8,766,262	\$8,766,262	\$8,784,328
Capital Inflows													
Land (In Lieu of Monetary Payment)	\$94,588,242												
Total:	\$94,588,242	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Total:	\$86,488,242	(\$8,305,750)	(\$8,748,550)	(\$8,748,550)	(\$8,748,550)	(\$8,748,550)	(\$8,748,550)	(\$8,766,262)	(\$8,766,262)	(\$8,766,262)	(\$8,766,262)	(\$8,766,262)	(\$8,784,328)

Year:	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Period:	13	14	15	16	17	18	19	20	21	22	23	24	25
Capital Outflows													
Down Payment for Financing													
Debt Service (\$72,900,000 @ 7% for 15)	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950				
Taxes	\$921,378	\$921,378	\$921,378	\$939,806	\$939,806	\$939,806	\$939,806	\$939,806	\$939,806	\$958,602	\$958,602	\$958,602	\$958,602
Total:	\$8,784,328	\$8,784,328	\$8,784,328	\$8,802,756	\$8,802,756	\$8,802,756	\$8,802,756	\$8,802,756	\$8,802,756	\$958,602	\$958,602	\$958,602	\$958,602
Capital Inflows													
Land (In Lieu of Monetary Payment)													
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Total:	(\$8,784,328)	(\$8,784,328)	(\$8,784,328)	(\$8,802,756)	(\$8,802,756)	(\$8,802,756)	(\$8,802,756)	(\$8,802,756)	(\$8,802,756)	(\$958,602)	(\$958,602)	(\$958,602)	(\$958,602)

Input	(Hurdle Rate) IRR	8%
	ROI	-3%
Input	Land Value Required	\$94,588,242

A Legislative Hall in the Matanuska Susitna Borough
Financial Model Details

Year:	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Period:	0	1	2	3	4	5	6	7	8	9	10	11	12
Capital Outflows													
Up Front Capital For Financing	\$8,100,000												
Debt Service (\$72,900,000 @ 7% for 15 yrs)	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950
Taxes	\$442,800	\$885,600	\$885,600	\$885,600	\$885,600	\$885,600	\$903,312	\$903,312	\$903,312	\$903,312	\$903,312	\$903,312	\$921,378
Total:	\$8,100,000	\$8,305,750	\$8,748,550	\$8,748,550	\$8,748,550	\$8,748,550	\$8,766,262	\$8,766,262	\$8,766,262	\$8,766,262	\$8,766,262	\$8,766,262	\$8,784,328
Capital Inflows													
Land (In Lieu of Monetary Payment)	\$82,862,111												
Total:	\$82,862,111	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Total:	\$74,762,111	(\$8,305,750)	(\$8,748,550)	(\$8,748,550)	(\$8,748,550)	(\$8,748,550)	(\$8,766,262)	(\$8,766,262)	(\$8,766,262)	(\$8,766,262)	(\$8,766,262)	(\$8,766,262)	(\$8,784,328)

Year:	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Period:	13	14	15	16	17	18	19	20	21	22	23	24	25	
Capital Outflows														
Up Front Capital For Financing														
Debt Service (\$72,900,000 @ 7% for 1	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	
Taxes	\$921,378	\$921,378	\$921,378	\$939,806	\$939,806	\$939,806	\$939,806	\$939,806	\$939,806	\$958,602	\$958,602	\$958,602	\$958,602	
Total:	\$8,784,328	\$8,784,328	\$8,784,328	\$8,802,756	\$8,802,756	\$8,802,756	\$8,802,756	\$8,802,756	\$8,802,756	\$958,602	\$958,602	\$958,602	\$958,602	
Capital Inflows														
Land (In Lieu of Monetary Payment)														
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net Total:	(\$8,784,328)	(\$8,784,328)	(\$8,784,328)	(\$8,802,756)	(\$8,802,756)	(\$8,802,756)	(\$8,802,756)	(\$8,802,756)	(\$8,802,756)	(\$958,602)	(\$958,602)	(\$958,602)	(\$958,602)	

Input	(Hurdle Rate) IRR:	10%
	ROI:	-15%
Input	Land Value Required:	\$82,862,111

Financial Model Details

Year:	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Period:	0	1	2	3	4	5	6	7	8	9	10	11	12
Capital Outflows													
Down Payment for Financing	\$8,100,000												
Debt Service (\$72,900,000 @ 7% for 15 yrs)		\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950
Taxes		\$442,800	\$885,600	\$885,600	\$885,600	\$885,600	\$903,312	\$903,312	\$903,312	\$903,312	\$903,312	\$921,378	\$921,378
Total:	\$8,100,000	\$8,305,750	\$8,748,550	\$8,748,550	\$8,748,550	\$8,748,550	\$8,766,262	\$8,766,262	\$8,766,262	\$8,766,262	\$8,766,262	\$8,784,326	\$8,784,326
Capital Inflows													
Land (In Lieu of Monetary Payment)	\$73,523,120												
Total:	\$73,523,120	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Total:	\$65,423,120	(\$1,305,750)	(\$8,748,550)	(\$8,748,550)	(\$8,748,550)	(\$8,748,550)	(\$8,766,262)	(\$8,766,262)	(\$8,766,262)	(\$8,766,262)	(\$8,766,262)	(\$8,784,326)	(\$8,784,326)

Year:	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Period:	13	14	15	16	17	18	19	20	21	22	23	24	25
Capital Outflows													
Down Payment for Financing													
Debt Service (\$72,900,000 @ 7% for 15)	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950	\$7,862,950				
Taxes	\$921,378	\$921,378	\$921,378	\$939,806	\$939,806	\$939,806	\$939,806	\$939,806	\$939,806	\$358,602	\$958,602	\$958,602	\$958,602
Total:	\$8,784,328	\$8,784,328	\$8,784,328	\$8,802,756	\$8,802,756	\$8,802,756	\$8,802,756	\$8,802,756	\$8,802,756	\$958,602	\$958,602	\$958,602	\$958,602
Capital Inflows													
Land (In Lieu of Monetary Payment)													
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Total:	(\$8,784,328)	(\$8,784,328)	(\$8,784,328)	(\$8,802,756)	(\$8,802,756)	(\$8,802,756)	(\$8,802,756)	(\$8,802,756)	(\$8,802,756)	(\$958,602)	(\$958,602)	(\$958,602)	(\$958,602)

NPV:	0
Input (Murdie Rate) IRR:	12%
ROI:	-24%
Input Land Value Required:	\$73,523,120

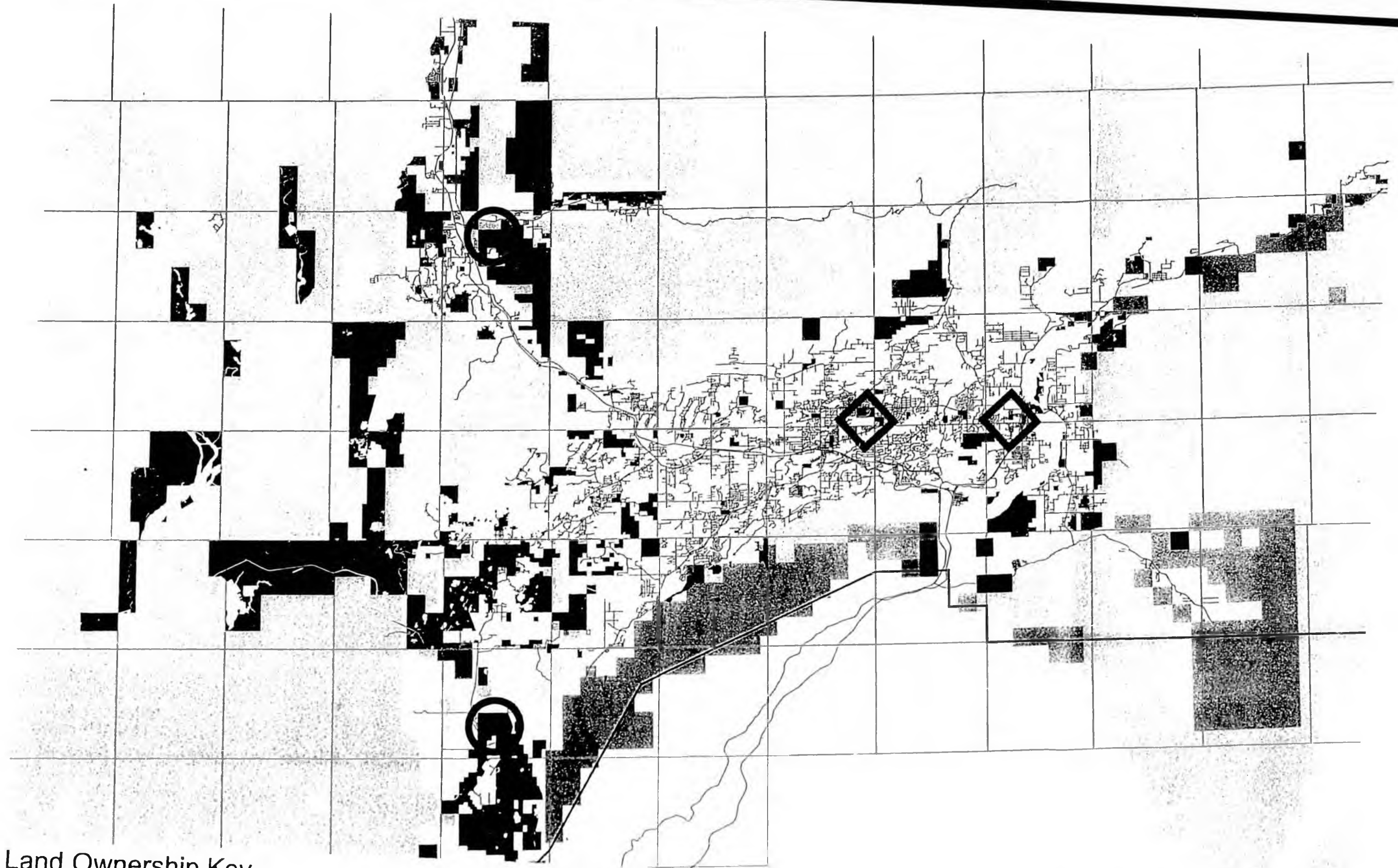
Appendix D: Cost Assumptions

A Legislative Hearing in the Matanuska-Susitna Borough - Feasibility Review

COST ASSUMPTIONS

Property	<u>Land (No Cost to Developer)</u> \$1,000,000	<u>Improvement</u> \$81,000,000	<u>Total to be Financed</u> \$81,000,000	<u>Allocation of Value Year 1</u> 0.5				
Financing	<u>% Down</u> 10%	<u>\$ Down</u> \$8,100,000	<u>\$ Financed</u> \$72,900,000	<u>Term (Yrs)</u> 15	<u>Rate</u> 7%	<u>Annual Debt Service</u> \$7,862,950	<u>Start Date</u> 1/31/07	
Taxes	<u>Mill Rate</u> 0.0108	<u>Inflation Adjustment (Every Five Years)</u> 1.02						

**Appendix E:
Borough Land
Ownership Map**



Land Ownership Key

Source: Matanuska-Susitna Borough

- | | | |
|----------------|---------|-----------------------|
| Mat-Su Borough | Native | Other |
| State | Federal | State/Native Selected |

Potential Sites:

- | |
|--|
| Village / Rural Scenario |
| Suburban / Commercial Core Scenario (assumed scenario) |

**A Legislative Hall in the
Matanuska-Susitna Borough**
Feasibility Review
February 3, 2006

Livingston Slone, Inc
IFR & Associates

Relevant
Excerpt

STATE of Alaska and Department of
Revenue, Appellants,

v.

A.L.I.V.E. VOLUNTARY, Appellee.

No. 3670.

Supreme Court of Alaska.

Feb. 19, 1980.

Unincorporated association, which was political action committee for unions, brought suit based on allegation that Department of Revenue's denial of permit allowing association to operate lotteries was wrongful for certain reasons including fact that such denial was based on continuing enforcement of a regulation despite its nullification by legislature. The Superior Court, Third Judicial District, Peter J. Kalamarides, J., granted association partial summary judgment, and State and Department of Revenue appealed. The Supreme Court, Matthews, J., held that statute providing that legislature, by concurrent resolution adopted by vote of both houses, could annul a regulation of an agency or department violated state constitutional provisions defining the mechanics of legislation.

Reversed and remanded with directions.

Boochever, C. J., dissented and filed opinion in which Connor, J., joined.

1. Statutes ⇒ 107(1)

Constitutional requirements that every bill be confined to one subject and that there be a descriptive title are intended to prevent inclusion of incongruous and unrelated matters in same bill and to guard against inadvertence, stealth and fraud in legislation. Const. art. 2, § 13.

2. Statutes ⇒ 15, 19

Purpose of state constitutional provision requiring three readings of a bill on

three separate days, requiring that vote of each legislator on final passage of a bill be recorded and requiring that no bill pass without an affirmative vote of the majority of the membership of each house is to ensure deliberation prior to passage, to ensure that requisite majority of each house affirmatively votes to enact a bill into law and to provide a public record of the vote cast by each legislator. Const. art. 2, § 14.

3. Statutes ⇒ 26

Purpose of state constitutional provisions to effect that no bill shall become law unless governor has opportunity to veto it is to preserve integrity of executive branch of government, and thus maintain equilibrium of governmental powers, and to act as a check on hasty and ill-considered legislation. Const. art. 2, §§ 15, 17.

4. Statutes ⇒ 255

Purpose of state constitutional provision that laws are not to become effective, unless a two-thirds vote of membership of each house provides otherwise, until 90 days after they are enacted is to provide fair opportunity to those people affected by the legislation to learn of it. Const. art. 2, § 18.

5. Statutes ⇒ 22

Statute providing that legislature, by concurrent resolution adopted by vote of both houses, could annul a regulation of an agency or department violated state constitutional provisions defining the mechanics of legislation. Const. art. 2, §§ 1 et seq., 5, 13-18; art. 3, § 23; art. 10, § 12; AS 44.62.320(a).

6. Statutes ⇒ 22

When legislature wishes to act in an advisory capacity it may act by resolution, but if it wishes to take action having a binding effect on those outside the legislature, it may do so only by following the enactment procedure set forth in State Constitution. Const. art. 2, § 1 et seq.

7. Statutes ⇒ 22

Legislature has no implied general power to veto agency regulations by informal legislative actions. Const. art. 3, § 23; art. 10, § 12.

8. Administrative Law and Procedure ⇒ 385

Power granted by state constitutional provisions to effect that, unless they are disapproved by legislature within 60 days, changes in the law by executive order shall become effective at a date thereafter to be designated by governor and that recommendations made by a state local boundary commission become effective 45 days after presentation to the legislature unless vetoed is not rule-making power, but, rather, power to change statutes, and, thus, expression of such power in Constitution does not carry any implication that general administrative rule making is meant to be forbidden. Const. art. 3, § 23; art. 10, § 12.

9. Constitutional Law ⇒ 60

Though legislature can delegate power to make laws conditionally, the condition must be lawful and may not contain a grant of power to any branch of government to function in a manner prohibited by Constitution; fact that legislature can delegate legislative powers to others, who are not bound by constitutional provisions defining the mechanics of legislation, does not mean that legislature can delegate the same power to itself and, in the process, escape from such constitutional constraints under which it must operate. Const. art. 2, § 1 et seq.

10. Constitutional Law ⇒ 58

Though power to void agency regulations can be exercised by either legislature or agency, if legislature exercises such power it must do so while acting as a legislature; it may not grant itself the power to act as an agency. Const. art. 2, §§ 1 et seq., 5; art. 3, § 26.

Joseph K. Donohue, Asst. Atty. Gen., Avrum M. Gross, Atty. Gen., Juneau, for appellants.

1. For excellent histories of the legislative veto, see Ginnane, *The Control of Federal Administration by Congressional Resolutions and Committees*, 66 Harv L. Rev. 569 (1953); Newman & Keaton, *Congress and the Faithful Execution of Laws—Should Legislators Supervise Administrators?* 41 Cal L. Rev. 565 (1953); and Watson, *Congress Steps Out—A Look at Congress-*

Joe P. Josephson, Josephson & Trickey, Inc., Anchorage, for appellee.

Stephen M. Ellis, Delaney, Wiles, Moore, Hayes & Reitman, Inc., Anchorage, for amici curiae Alaska Legislative Council and Administrative Regulation Review Committee.

Before BOOCHEVER, C. J., and RABINOWITZ, CONNOR, BURKE and MATTHEWS, JJ.

OPINION

MATTHEWS, Justice.

AS 44.62.320(a) provides:

The legislature, by a concurrent resolution adopted by a vote of both houses, may annul a regulation of an agency or department.

This statute encompasses a variant of what has come to be called the legislative veto.¹ The question in this case is whether this device violates article 11 of the Alaska Constitution. We hold that it does.

I

Chapter 16 of Title 5 of the Alaska Statutes authorizes games of chance and skill to be operated by permit holders. Only certain kinds of games, ("bingo, raffles and lotteries, ice classics, dog mushers' contests, fish derbies and contests of skill") are allowed,² only nonprofit organizations may be issued a permit,³ and all revenues must be devoted to "the awarding of prizes to contestants or participants and to educational, civic, public, charitable, patriotic or religious uses."⁴ The Commissioner of Revenue has been delegated the authority to adopt rules and regulations "necessar-

ional Control of the Executive, 63 Cal L. Rev. 983 (1975)

2. AS 05 15 100

3. AS 05 15 120, 210(15)

4. AS 05 15 150

carry out this chapter or protect the best interest of the public."⁵

From 1960 until 1976 one of the Commissioner's regulations prohibited lottery operators from giving prizes exceeding \$15,000 in personal property or \$30,000 in real property annually.⁶ In November of 1976 the regulation was amended by increasing the annual personal property limit to \$30,000 and the annual real property limit to \$50,000 and by stating that personal property included cash and negotiable instruments.⁷

A.L.I.V.E. Voluntary is an unincorporated association which acts as the political action committee for the Teamster's Union Local No. 959, and affiliated unions. For three years it has operated fund raising lotteries under a permit issued by the Department of Revenue. It applied for a permit for 1977 and reported that during 1976 it had distributed \$80,000 in cash prizes. The Department denied A.L.I.V.E. a permit for 1977 on the ground that its prize distribution in 1976 had exceeded the allowable limit.

A.L.I.V.E. then brought suit against the Department alleging that the denial of the

permit was wrongful, claiming that under the first version of the regulation which was in effect for most of 1976 cash prizes were not included within the personal property limitation of \$15,000. While the case was pending before the superior court, the legislature, acting under AS 44.62.320(n), annulled, by concurrent resolution, 15 AAC 05.410(4).⁸

As a result of the legislative annulment A.L.I.V.E. added another count to its complaint under which it claimed that the denial of its permit was wrongful because it was based on continuing enforcement of the regulation despite its nullification by the legislature. In response, the state claimed that the legislature could not constitutionally annul an administrative regulation by concurrent resolution and therefore the regulation had not been annulled. Both parties moved for summary judgment on this issue. The court granted partial summary judgment in favor of A.L.I.V.E., holding that the legislative annulment power was constitutional and that the regulation in question was void *ab initio*.⁹

5. AS 05.15.060(11).

6. The regulation was designated 15 AAC 05.410(4). It provided:

In holding, operating, and conducting raffles or lotteries, no permittee shall raffle prizes of personal property in excess of the sum or value of \$15,000.00 in any one calendar year and real property in excess of the sum or value of \$30,000.00 in any one calendar year.

7. As amended the regulation reads:

(4) In holding, operating and conducting raffles or lotteries, a permittee may not raffle prizes of personal property, including cash or a negotiable instrument, the aggregate total of which is in excess of the sum or value of \$30,000 in any one calendar year and real property in excess of the sum or value of \$50,000 in any one calendar year.

8. Legislative Resolve No. 79, in full, states: Annuling a regulation of the Department of Revenue pertaining to the value of prizes awarded in raffles and lotteries.
BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS under AS 44.62.320 the legislature by concurrent resolution adopted by a vote of both houses may annul a regulation of an agency or department; and

WHEREAS 15 AAC 05.410(4), adopted by the Department of Revenue, restricts the value of prizes which may be awarded in a single year by a qualified organization in a raffle or lottery to \$30,000 in personal property and \$50,000 in real property; and

WHEREAS the prevention of high-stakes gambling sought by this regulation could be achieved more effectively through less restrictive means; specifically, the value of prizes awarded in individual raffles or lotteries could be limited or the prize limit could be related to the amount required to participate in the raffle or lottery; and

WHEREAS this regulation would frustrate the intent of AS 05.15.150, which specifies permissible uses for net proceeds of raffles and lotteries, by preventing qualified organizations from garnering net proceeds in sufficient amounts for uses specifically mentioned in AS 05.15.150, such as erecting or maintaining public buildings or works, or lessening the burden on government;

BE IT RESOLVED by the Alaska State Legislature that administrative regulation 15 AAC 05.410(4) is annulled.

9. That is, since 1960, Legislative Resolve No. 79 purported to annul not merely the 1976 amendments to the regulation, but the regulation in its entirety. See note 5, *supra*.

II

The Alaska Constitution defines with specificity the mechanics of legislation.¹⁰ Each provision has a purpose "designed to engender a responsible legislative process worthy of the public trust." *Plumley v. Hale*, 594 P.2d 497, 500 (Alaska 1979).

[1] Article II, section 13 requires that every bill be confined to one subject and that there be a descriptive title. These requirements are designed "to prevent the inclusion of incongruous and unrelated matters in the same bill in order to get support for it which the several subjects might not separately command, and to guard against inadvertence, stealth and fraud in legislation." *Suber v. Alaska State Bond Committee*, 414 P.2d 546, 557 (Alaska 1966). The same section also requires a specific form of enactment clause to avoid confusion as to when the legislature is speaking with the force and effect of law, as distinguished from the mere expression of its views and desires.¹¹

[2] Article II, section 14 requires three readings of a bill, on three separate days in order "to ensure that the legislature knows what it is passing," *North Slope Borough v. Sino Petroleum Corp.*, 585 P.2d 534, 543 n. 11 (Alaska 1978), and to ensure an opportunity for the expression of public opinion and due deliberation.¹² Section 14 also requires that the vote of each legislator on final passage of a bill be recorded and that no bill may pass without an affirmative vote of a majority of the membership of each

house. These provisions are meant "to ensure deliberation prior to passage, to ensure that the requisite majority of each house affirmatively votes to enact a bill into law, and to provide a public record of the vote cast by each legislator." *Plumley v. Hale*, 594 P.2d 497, 500 (Alaska 1979).

[3,4] In addition to these formal safeguards there is the condition that no bill shall become law unless the governor has the opportunity to veto it.¹³ This power is granted "to preserve the integrity of . . . [the executive] branch of government . . . and thus maintain an equilibrium of governmental powers . . . [and] to act as a check upon corrupt or hasty and ill-considered legislation." *Thomas v. Rosen*, 569 P.2d 793, 795 n. 5 (Alaska 1977) (citation omitted). Finally, there is the clause that laws do not become effective, unless a two-thirds vote of the membership of each house provides otherwise, until ninety days after they are enacted. Art. II, § 18. This is designed to provide a fair opportunity to those people affected by legislation to learn of the laws they must live by.¹⁴

[5,6] The question presented by this case is whether the legislature can exercise its legislative power without following these enactment provisions. In our view the answer must be in the negative, for otherwise they would serve no purpose. In *Plumley v. Hale*, 594 P.2d 497, 502 (Alaska 1979) we held that the requirements of Art. II § 14 are mandatory, not permissive.¹⁵

become law without an affirmative vote of a majority of the membership of each house. The yeas and nays on final passage shall be entered in the journal

10. Art. II, § 13 provides:

Form of Bills. Every bill shall be confined to one subject unless it is an appropriation bill or one codifying, revising, or rearranging existing laws. Bills for appropriations shall be confined to appropriations. The subject of each bill shall be expressed in the title. The enacting clause shall be: "Be it enacted by the Legislature of the State of Alaska." Art. II, § 13 provides:

Passage of Bills. The legislature shall establish the procedure for enactment of bills into law. No bill may become law unless it has passed three readings in each house on three separate days, except that any bill may be advanced from second to third reading on the same day by concurrence of three-fourths of the house considering it. No bill may

11. See 3 Proceedings of the Alaska Constitutional Convention 1746-48 (January 11, 1956).

12. See 3 Proceedings of the Alaska Constitutional Convention 1751-54 (January 11, 1956).

13. Art. II, §§ 15, 16 and 17.

14. See 3 Proceedings of the Alaska Constitutional Convention 3110 (January 25, 1956).

15. We also referred to the Art. II, §§ 14 and 15 safeguards in *North Slope Borough v. Sino*