

LEG. FINANCE - BILLS 1977 - 1978 823

HB 857 cont.

5           Sec. 29.18.640. PLANNING AND ZONING AUTHORITY. The capital city  
6 and the Matanuska-Susitna Borough shall within nine months after  
7 incorporation of the capital city, enter into an agreement by which  
8 the capital city shall exercise such planning, zoning, building and  
9 housing code powers and functions as it deems necessary and desirable  
10 in order to assure coordination with and preservation of the general  
11 development plan and specific development plans. The agreement shall  
12 consider the need and desirability for coordination among the develop-  
13 ment corporation, the capital city and the borough, and shall provide  
14 for a sharing of planning, zoning, building and housing code, powers  
15 and functions between the capital city and the borough which ensures  
16 an orderly development of the general development plan and specific  
17 development plans and a maximum of control by the residents of the  
18 capital city over local community development and affairs, consistent  
19 with the general regional concerns of the borough. The development  
20 corporation may be a party to this agreement. The general development  
21 plan and specific development plans, as amended from time to time,  
22 constitute the land use plan for the capital city area and supersede  
23 all planning, zoning, subdivision, building code, or other similar  
24 enactments of the Matanuska-Susitna Borough in the capital city area  
25 with respect to land not owned by the development corporation. With  
26 respect to land not owned by the development corporation, the general  
27 development plan and specific development plans shall continue to  
28 supersede enactments of the Matanuska-Susitna Borough as provided  
29 above until after the land has been fully developed. After full  
30 development of any parcel of land, the Matanuska-Susitna Borough may  
31 not exercise any area-wide power in a manner which conflicts with the  
32 general development plan or specific development plans provided,  
33 however, that the foregoing provision ceases to obtain when the develop-

1 ment corporation is dissolved or on January 1, 2000, whichever comes  
2 first.

3 Sec. 29.18.650. TRANSFER OF UTILITIES TO CAPITAL CITY. The  
4 development corporation, in cooperation with the capital city, shall  
5 arrange for and agree to an orderly schedule for transferring to the  
6 capital city ownership of, and financial and operational responsi-  
7 bility for, utilities and other facilities including, but not limited  
8 to, streets, sewers, water, heating and steam systems, transportation,  
9 and other utilities and facilities which the development corporation  
10 deems to be integral parts of the capital city infra-structure.  
11 Before January 1, 1985, the development corporation and the council of  
12 the capital city shall jointly retain independent consultants to study  
13 and determine an orderly schedule for transfer of these utilities and  
14 facilities to the capital city. The study shall consider the capabili-  
15 ties of the capital city and its existing and anticipated residents to  
16 finance, through taxation, user charges, bond issues and other means,  
17 the cost of these utilities and other facilities and their operating  
18 expenses. The consultants shall propose a recommended schedule for  
19 and terms and conditions of transfer which are commensurate with the  
20 capital city's existing and anticipated population, tax base and any  
21 other factors relating to its capability to finance and operate these  
22 facilities as they deem appropriate. The development corporation  
23 shall, after considering the consultant's report, propose a schedule  
24 of and terms and conditions of such transfer to the capital city,  
25 which shall, upon review and approval by the council, be reflected in  
26 an agreement between the development corporation and the capital city.  
27 If the development corporation and the capital city are unable to  
28 agree within six months after the development corporation submits its  
29 proposal, the development corporation shall submit the proposal to the

1 Legislative Budget and Audit Committee which shall consider the  
2 proposal, and if the committee deems appropriate, shall recommend to  
3 the legislature the enactment of legislation it deems desirable with  
4 respect to the disposition of the utilities and other facilities. In  
5 the event that no recommendation is made to the legislature or in the  
6 event that the legislature does not enact legislation regarding such  
7 disposition during the legislative session at which the recommendation  
8 is made, the development corporation may at any time thereafter sell  
9 or dispose of the utilities and facilities or any of them to a private  
10 person or entity or government body, or continue to operate them.

11 Sec. 29.18.660. AGREEMENTS. The development corporation, the  
12 capital city, the Matanuska-Susitna Borough, the state and any agency  
13 or instrumentality of the state, as well as all other entities per-  
14 mitted by law, may enter into agreements for the cooperative or joint  
15 administration of any functions or powers. Any such agreement, when-  
16 ever entered into, shall be binding and enforceable upon the parties  
17 in accordance with its terms. This section shall continue to apply to  
18 the capital city and the Matanuska-Susitna Borough, even if either or  
19 both adopt a home rule charter.

20 Sec. 29.18.670. APPLICABILITY OF OTHER PROVISIONS OF LAW. All  
21 applicable provisions of law consistent with the provisions of this  
22 article apply to the capital city. When there is an inconsistency  
23 between secs. 500-660 of this chapter and any other provision of law,  
24 the provisions of Secs. 500-660 of this chapter prevail over any other  
25 provisions of law. The provisions of this chapter authorizing agree-  
26 ments to be entered into by the capital city (AS 29.18.640, 650 and  
27 660) limiting boundary changes (AS 29.18.540) and action of the  
28 Matanuska-Susitna Borough (AS 29.18.610 and AS 29.18.640) shall continue  
29 in effect notwithstanding a change in the municipal classification of

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the capital city or the adoption of a home rule charter.

Sec. 29.18.680. The description of the capital city is [to be supplied].

\* Sec. 6. This Act takes effect immediately in accordance with AS 01.-10.070(c).

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# COMMITTEE REPORT

## HOUSE

FURTHER: \_\_\_\_\_

5/15/78

Date: 5/29/78

Mr. Speaker:

The Committee on FINANCE has had HB 857

under consideration and (~~a majority of the committee~~) (the committee reports it back as follows)

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for HB 857 (Finance)

and that it do pass  new title  same title

- AND attaches a Letter of Intent  New Fiscal Note
- reports it back without recommendation
- and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

[Signature]  
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OTHER RECOMMENDATIONS:

[Signature]  
[Signature]  
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\_\_\_\_\_

[Signature]  
Chairman

Original sponsor: Rules Committee by  
request of the Governor (by request of  
the New Capital Site Planning Commission)

Offered: 5/15/78  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 857

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to planning for and development of the  
7 new Alaska capital, including incorporation of a new  
8 capital city; and providing for an effective date."

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

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\* Section 1. AS 44 is amended by adding a new chapter to read:

11

CHAPTER 63. ALASKA CAPITAL CITY DEVELOPMENT CORPORATION.

12

ARTICLE 1. FINDINGS.

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Sec. 44.63.010. FINDINGS. (a) The legislature finds that it is  
14 in the best interests of the state to create ~~a public corporation~~ <sup>a new capital city</sup> with  
15 the powers set out in this chapter to assure that

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(1) the necessary governmental facilities at the new capital  
city area are constructed in a manner and in time to assure the effi-  
cient and orderly operation of state government;

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(2) the necessary housing for the residents of the new capi-  
tal city area is available on a basis consistent with the schedule for  
transfer of the departments of government;

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(3) the necessary public facilities are provided in time to  
accommodate the new residents of the capital city area and all citizens  
having business with state government, and in a manner to accommodate  
future growth of the area;

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(4) due consideration is given to the social, economic and  
environmental aspects of the new capital city which affect the  
Matanuska-Susitna Borough and to the social, economic and environmental  
conditions to prevail within the capital city area;

1 (5) the planning, design and construction of the governmental  
2 and public facilities, and residential housing proceed on a coordinated  
3 and expedited basis so that the departments of government can provide  
4 essential governmental functions for the health, safety and welfare of  
5 the citizens of the state at the capital city without interruption.

6 (b) It is further found to be in the best interests of the state  
7 to

8 (1) expand the purposes of the Alaska Housing Finance Cor-  
9 poration (AS 18.56) to make residents of the capital city area required  
10 to relocate with their jobs eligible for lower interest rate residential  
11 mortgage financing by the Alaska Housing Finance Corporation;

12 (2) provide funding through the Alaska State Housing Autho-  
13 rity (AS 18.55.010 - 18.55.290) for an adequate supply of housing for  
14 lower income residents of the capital city area;

15 (3) provide a means for funding the administrative and capi-  
16 tal costs associated with development of the new capital through loans  
17 from the general fund;

18 (4) assist the new capital city to issue bonds to pay the  
19 capital costs of the utilities and facilities to be transferred to it  
20 and other capital costs incurred by it by authorizing the creation of a  
21 special reserve account of the Alaska Municipal Bond Bank Authority (AS  
22 44.56) to secure bonds of the capital city.

23 ARTICLE 2. ESTABLISHMENT OF CORPORATION; POWERS.

24 Sec. 44.63.020. ALASKA CAPITAL CITY DEVELOPMENT CORPORATION.

25 There is created the Alaska Capital City Development Corporation. The  
26 corporation is a public corporation and governmental instrumentality of  
27 the state within the Department of Commerce and Economic Development,  
28 but has a legal existence independent of and separate from the state.  
29 The exercise by the corporation of the powers conferred by this chapter

1 is considered an essential governmental function of the state.

2 Sec. 44.63.030. BOARD OF DIRECTORS. (a) The corporation is  
3 governed by a board of directors which consists of 11 members: the  
4 commissioner of ~~commerce and economic development~~ *community and regional affairs*, the mayor of the  
5 new capital city and the mayor of the Matanuska-Susitna Borough, who  
6 serve as directors ex officio with voting privileges, and eight di-  
7 ~~rectors appointed by the governor~~ *and comprised by a majority of the members of the Legislature in open*  
8 ~~the governor shall appoint one~~  
9 director to serve until the mayor of the new capital city is elected in  
10 accordance with AS 29.18.570. No more than three of the appointed  
11 directors may be full-time elected or appointed employees or officials  
12 of the state or of any municipality. No state legislator may be  
13 appointed or serve.

14 (b) The governor shall appoint directors with due regard to their  
15 expertise and experience in areas relevant to public and private plan-  
16 ning, development, finance, marketing, the general public interest and  
17 state and municipal government. The appointed directors shall be resi-  
18 dents and qualified voters of the state. The appointed directors serve  
19 at the pleasure of the governor.

20 (c) The governor may further designate three commissioners of  
21 principal departments of state government to participate in meetings of  
22 the board. The three commissioners so designated have no vote.

23 (d) The governor shall designate one of the appointed members  
24 as chairman of the board of directors. The board shall elect a vice-  
25 chairman from among its membership. The chairman shall call the  
26 initial meeting of the board of directors within 30 days after taking  
27 office.

28 (e) Until appointment by the governor of the full board of direc-  
29 tors and the holding of the initial meeting, the New Capital Site Plan-  
ning Commission (AS 44.06.200 - 44.06.260) shall govern the corporation.

1 as the board of directors. However, the legislative members of the  
2 commission serve solely in an advisory capacity. The members of the  
3 commission acting as the board of directors of the corporation shall  
4 have the voting rights fixed in AS 44.06.210 for commission members.

5 Sec. 44.63.040. TERM OF OFFICE. Appointed directors serve for  
6 terms of four years. Terms shall be staggered. Initial terms shall be  
7 two members serving for one year, two members serving for two years, two  
8 members serving for three years, two members serving for four years, and  
9 one member serving for five years. An appointee to fill a vacancy shall  
10 hold office for the balance of the term for which his predecessor on the  
11 board was appointed.

12 Sec. 44.63.050. QUORUM. (a) A majority of the directors of the  
13 corporation constitutes a quorum for the transaction of business and the  
14 exercise of the powers and duties of the board unless otherwise required  
15 by this chapter.

16 (b) A vacancy on the board does not impair the authority of a  
17 quorum of the board to exercise all the powers and perform all the  
18 duties of the board.

19 Sec. 44.63.060. COMPENSATION OF DIRECTORS. Appointed directors  
20 receive \$200 for each meeting day if they attend the meeting and are  
21 entitled to per diem and travel allowances as provided by law for mem-  
22 bers of state boards and commissions.

23 Sec. 44.63.070. EMPLOYMENT OF PERSONNEL. (a) The board shall  
24 appoint and determine the salary of a person to serve at the pleasure of  
25 the board as executive director. The executive director is the chief  
26 executive officer of the corporation. The executive director may not be  
27 a member of the board of directors of the corporation.

28 (b) The board of directors may appoint and determine the salary of  
29 other officers specified in the bylaws of the corporation, with the

1 powers and duties as set out in the bylaws.

2 (c) The executive director, with the approval of the board, may  
3 employ additional staff, and may retain others considered necessary or  
4 appropriate to carry out the purposes of the corporation.

5 (d) Officers and employees of the corporation are in the exempt  
6 service under AS 39.25.

7 (e) Consultants and contractors shall be hired in accordance with  
8 the provisions of AS 36.10.010, unless, in the judgment of the board, it  
9 would impede the scheduled implementation of the general development  
10 plan or any specific development plan.

11 Sec. 44.63.080. OTHER EMPLOYMENT OF DIRECTORS PERMITTED. A direc-  
12 tor may hold any position of public or private employment while serving  
13 on the board of directors.

14 Sec. 44.63.090. MEETINGS. (a) Meetings of the board of directors  
15 are governed by the provisions of AS 44.62.310 and 44.62.312; in all  
16 other respects the Administrative Procedure Act (AS 44.62) <sup>applies</sup> ~~applies~~  
17 ~~apply~~ to this chapter, ~~except as provided in section 44.63.090 of this chap-~~  
18 ~~ter.~~

19 (b) The board shall establish procedures providing for newspaper  
20 publication and other notice of all meetings sufficient to adequately  
21 inform the public of the subject matter proposed to be acted on and  
22 shall establish procedures providing for public participation at its  
23 meetings.

24 Sec. 44.63.100. REGULATIONS. <sup>(a)</sup> ~~(a)~~ The board may adopt, amend and  
25 repeal regulations by resolution ~~as provided in this section.~~

26 ~~(b) Except as provided in (a) of this section, at least 15 days~~  
27 ~~before taking any action on a regulation, the board shall give public~~  
28 ~~notice of the proposed action by publishing the notice in at least three~~  
29 ~~numbers of general circulation in Anchorage, Fairbanks and Juneau.~~

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1 ~~and by mailing a copy of the notice to every person who has filed a~~  
2 request for notice of proposed regulations with the corporation. The  
3 public notice shall include a statement of the time, place and nature of  
4 the proceedings and shall include an informative summary of the proposed  
5 subject of the regulations. At the time and place designated in the  
6 notice, the board shall give each interested person or his authorized  
7 representative, or both, a reasonable opportunity to present oral testi-  
8 mony. The board shall consider all relevant matter presented to it  
9 before taking any action on a regulation. The board may continue or  
10 postpone the hearing to the time and place which it determines. A  
11 regulation which is adopted, amended or repealed may vary in content  
12 from the informative summary specified in this subsection if the subject  
13 matter of the regulation remains the same and the original notice is  
14 sufficient to assure that members of the public are reasonably notified  
15 of the proposed subject of the board's action in order for them to  
16 determine whether their interests could be affected by the board's  
17 action on that subject.

18 (c) A regulation may be adopted, amended or repealed on an emer-  
19 gency basis if the board makes a finding in its resolution that the  
20 adoption, amendment or repeal of the regulation is necessary for the  
21 immediate preservation of the orderly operation of the corporation's  
22 programs. The resolution shall contain a statement of the facts consti-  
23 tuting the emergency. Within 10 days after emergency action taken on a  
24 regulation, the board shall give notice of the action in the manner  
25 provided in (b) of this section for notice of proposed actions. No  
26 adoption, amendment or repeal of a regulation under this subsection  
27 ~~shall remain in effect more than 120 days.~~

28 (h) The board shall make available to members of the public copies  
29 of the corporation's regulations and shall file copies of the regula-  
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1 tions in the office of the lieutenant governor within 10 days following  
2 any action taken on the regulations.

3 (e) The adoption, amendment or repeal of regulations by the board  
4 is subject to review in accordance with AS 24.20.400 - 24.20.460 and AS  
5 44.62.320.

6 Sec. 44.63.110. DEVELOPMENT ADVISORY BOARD. (a) As soon as  
7 practicable following the holding of the initial meeting of the board  
8 directors, the corporation shall establish a Development Advisory Board  
9 to consider and advise the corporation upon matters concerning the  
10 planning and development of, and provisions of services and facilities  
11 in, the capital city area.

12 (b) The advisory board shall meet regularly at least four times a  
13 year, and shall also meet with the board of directors of the corporation  
14 at least once each year.

15 (c) In appointing the members of the advisory board, the board of  
16 directors shall consider representation of the interests of municipal-  
17 ities of the state, other public and private interests, state agencies  
18 and public or private organizations, groups or entities which the board  
19 of directors considers to be significantly affected by the relocation  
20 of the capital of the state.

21 (d) The members of the advisory board serve at the pleasure of the  
22 board of directors without compensation, but are entitled to per diem  
23 and travel allowances as provided by law for members of state boards and  
24 commissions.

25 (e) A member may hold any position of public or private employment  
26 while serving on the advisory board.

27 Sec. 44.63.120. POWERS OF THE CORPORATION. In addition to other  
28 powers granted by law and for the purpose of providing for the develop-  
29 ment of the new capital city area, the corporation may

- 1 (1) sue and be sued;
- 2 (2) adopt and alter an official seal;
- 3 (3) adopt, amend or repeal bylaws and ~~subject to agreements~~
- 4 ~~with noteholders or bondholders;~~ procedures for the development of its
- 5 programs, operations, properties and facilities;
- 6 (4) enter into contracts and other instruments necessary or
- 7 convenient for the exercise of its powers under this chapter;

8 ~~(5) enter into leases and agreements with the state with~~

9 respect to state buildings or other property and pledge or assign all

10 rights under the leases and agreements to secure the payment of bonds,

11 notes or other obligations issued to finance the cost of the state

12 buildings or property, but only if and to the extent an officer of the

13 state is authorized by law to enter into a specific lease of, or other

14 agreement with respect to, state buildings or other property of the

15 state with the corporation and only if the state buildings or other

16 property have not been financed with the proceeds of general obligation

17 ~~bonds of the state;~~

18 (6) acquire, hold, use, lease, mortgage, sell or otherwise

19 encumber or dispose of property of any kind, real, personal or mixed, or

20 any interest in it;

21 (7) establish terms and conditions for the acquisition or

22 disposal of its property, ~~including without limitation, terms and~~

23 ~~conditions designed to provide incentives for development of the proper-~~

24 ~~ty and in this connection, loan money to any public agency or private~~

25 ~~firm or any terms the corporation considers advisable for its corporate~~

26 ~~purposes;~~

27 (8) prepare or contract for the preparation of studies,

28 analyses, specifications, designs and estimates of cost for the con-

29 struction, development, reconstruction or improvement of any property

1 within the capital city area;

2 (9) manage or contract for the management of all or any part  
3 of a development program or programs on the terms the corporation con-  
4 siders appropriate;

5 (10) open streets and other public rights-of-way and provide  
6 for facilities or services in connection with any development program;

7 ~~(11) adopt or impose zoning and building restrictions,~~  
8 architectural, design, and land use controls through covenants, decla-  
9 rations, or otherwise in furtherance of the purpose of this chapter on  
10 any real property owned by the corporation; include the restrictions or  
11 controls in contracts, covenances and agreements; and cause the re-  
12 strictions and controls, covenants or declarations to run with the land  
13 and bind all future owners of the land by filing them for record in the

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14 ~~appropriate recording district;~~  
15 (12) charge and collect fees and charges for the use of facili-  
16 ties or services, and cause the fees and charges to become a lien on  
17 and run with the land and bind all future owners of the land by means of  
18 covenants affecting the property which are recorded in the appropriate  
19 recording district; the covenants may also provide that taxes imposed by  
20 a municipality can be credited against the fees and charges to the  
21 extent and upon any terms that are set out in the covenants;

22 (13) plan, finance, develop, acquire, construct, reconstruct,  
23 improve, operate, maintain, sell or otherwise dispose of structures,  
24 appurtenances, systems and facilities under contractual or other ar-  
25 rangements in connection with ~~the general development plan~~ any specific  
26 development plan, or with the purposes of this chapter;

27 (14) survey the real property within the capital city area;  
28 undertake geological, environmental and other similar studies and anal-  
29 yses of the property; and gather and disseminate all relevant informa-

1 tion pertaining to the suitability of any portion of the capital city  
2 area for various land uses;

3 (15) make contracts, incur liabilities, borrow money at rates  
4 of interest, maturities and on other terms and conditions that the  
5 corporation may determine; ~~issue, for any purpose, bonds and other obligations,~~  
6 ~~whether negotiable or not, and what other securities or interests,~~ and secure any  
7 of its obligations by mortgage or pledge of all or any of its real or  
8 personal property or any interest in the property, whether then owned or  
9 thereafter acquired;

10 (16) pledge its fees, charges and other revenues and receipts,  
11 and assign or pledge the lease or leases or sales contracts on any  
12 portion or all of its real or personal property, and the income received  
13 by virtue of any lease or leases or sales contracts, and ~~subject to the~~  
14 ~~provisions of any contract with the mortgagor or bondholder;~~ consent to  
15 modifications of rate of interest, time of payment of any installment of  
16 principal or interest, security, or any other term of any mortgage,  
17 mortgage loan, mortgage loan commitment, contract or agreement to which  
18 the corporation is a party;

19 (17) obtain insurance or bond against any losses from insurers  
20 authorized to do business in the state as it considers desirable;

21 (18) accept gifts, grants or loans from any source;

22 (19) enter into agreements with any public agency to carry out  
23 the purposes of this chapter;

24 ~~(20) issue, in accordance with regulations adopted under this~~  
25 ~~chapter, certificates of occupancy, compliance with applicable ordinances~~  
26 ~~relating to building, maintenance and occupancy;~~

27 (21) ~~subject to any agreement with the state or local government,~~  
28 enter into agreements to pay annual sums in lieu of taxes to a municipi-  
29 pality in respect of any real property which is owned by the corporation

1 and which is exempt from taxation under this chapter; and

2 (22) do any and all things necessary or convenient to carry  
3 out the purposes of this chapter and exercise the powers granted in this  
4 chapter.

5 ARTICLE 3. CAPITAL CITY DEVELOPMENT PLANS,  
6 PROPERTY, MUNICIPAL AGREEMENTS AND CONTRACTS.

7 Sec. 44.63.130. FORMULATION AND PROCEDURE FOR OBTAINING APPROVAL OF  
8 DEVELOPMENT PLANS. (a) ~~The~~ <sup>Washington Business Borough</sup> shall prepare a general develop-  
9 ment plan for the capital city area. <sup>^</sup> The general development plan shall  
10 be based on the initial and proposed overall site specific development  
11 plan submitted to the legislature by the New Capital Site Planning Com-  
12 mission under AS 44.06.230(j) ~~and~~, and  
13 in addition, shall include but not be limited to the following elements:

14 (1) a statement of the proposed uses of land throughout the  
15 capital city area as a whole with a general allocation of projected  
16 amounts and proportions of land to be devoted to governmental, residen-  
17 tial, commercial, industrial, institutional and public uses, indicating  
18 the anticipated population and building densities for the capital city  
19 area based upon the proposed mix of such land uses;

20 (2) a statement of the projected cost, number, nature and  
21 generalized locations of facilities, including but not limited to,  
22 governmental and institutional facilities relating to the functioning of  
23 the capital city area as the new capital of the state, public transpor-  
24 tation and major arterial street systems, parks and recreational facil-  
25 ities, water, sewer and drainage systems, electric, telephone and other  
26 energy or communications systems or utilities, and health, educational  
27 and community facilities, and a statement of the method and approximate  
28 time period by which the facilities described in this paragraph are to  
29 be provided;

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1 (3) a statement of the approximate projected time schedule  
2 for the stages of development of the capital city area, both as to  
3 various parts of the capital city area and as to the various types or  
4 categories of land uses proposed;

5 ~~(4) a statement of the projected means of financing the~~  
6 ~~project, and a statement of the anticipated~~  
7 ~~sources of funds necessary, the time at which the funds shall be pro-~~  
8 ~~vided and the means by which borrowed money shall be repaid.~~

9 (4) additional statements or documentation as the corporation  
10 considers necessary or appropriate.

11 (b) The general development plan shall include a determination of  
12 the minimum acreage of land to be allocated for the location and con-  
13 struction of state offices and related state facilities; and the minimum  
14 acreage of land to be set aside and allocated for parks, lakes, recrea-  
15 tion and open space use, with facilities necessary for their use and  
16 enjoyment, which, when developed, shall be accessible to the general  
17 public for its use and enjoyment. The provisions of the general deve-  
18 lopment plan described in this subsection may not be amended.

19 ~~(c) The corporation shall hold a public hearing in each legisla-~~  
20 ~~tive~~ ~~district of the state to receive comments from interested parties~~  
21 ~~on the general development plan proposed by the corporation. Each~~  
22 ~~hearing shall be held in a community of the state selected in the dis-~~  
23 ~~cretion of the board after public notice by publication in a newspaper~~  
24 ~~of general circulation in the municipality at least 30 days before the~~  
25 ~~commencement of the hearing.~~

26 (d) Following the completion of public hearings, the board of  
27 directors shall adopt the general development plan, which may be ap-  
28 proved with or without amendment from the proposed general development  
29 ~~plan, by at least two-thirds vote of the full membership of the board.~~

1 ~~and upon finding that the general development plan is in accordance~~  
2 with and furthers the purposes of this chapter. The general development  
3 plan as so adopted is an exercise by the state of its sovereignty over  
4 and right to develop its land and is the controlling document and land  
5 use plan setting out the major planning assumptions and objectives for  
6 the development of the capital city area and shall be effective on the  
7 date the board determines.

8 (e) Amendments to the general development plan may be made under  
9 the same procedure set out in this section for approval of a general  
10 development plan, except that the corporation shall hold at least one  
11 public hearing with respect to the amendment and invite written comments  
12 on it, before adoption of an amendment. Amendments to the general  
13 development plan shall be effective on the date the board determines.

14 (f) The general development plan and any amendments shall be

15 ~~and upon finding that the general development plan is in accordance~~  
16 Sec. 44.63.140. ADOPTION OF SPECIFIC DEVELOPMENT PLANS. (a)

17 Following adoption of the general development plan, the board shall  
18 prepare one or more specific development plans which shall include, but  
19 not be limited to, the following elements:

20 (1) a description of the area to be developed;

21 (2) a detailed and specific statement of the proposed uses  
22 within the area to be developed, including proposed general locations of  
23 all buildings and structures;

24 (3) a general description of the land use restrictions or  
25 covenants to be placed on the area to be developed;

26 (4) a map of the existing and proposed transportation and  
27 utility systems within the area;

28 (5) a statement of the methods by which the property within  
29 the area may be disposed of;

1 (6) a statement of the relationship between the specific  
2 development plan and the general development plan; and

3 (7) additional statements or documentation as the board  
4 considers necessary or appropriate.

5 (b) Each specific development plan shall be approved or amended by  
6 the board of directors, ~~and the board of directors shall constitute the controlling document and~~  
7 ~~land use plan for the area to be developed.~~ In acting upon a proposed  
8 specific development plan, the board of directors, ~~shall be guided by the~~  
9 purposes of this chapter and particularly

10 (1) the degree to which the specific development plan is in  
11 substantial conformity with the general development plan; ~~if the board~~  
12 ~~of directors determines~~ the specific development plan under consi-  
13 deration constitutes a substantial change from the general development  
14 plan, the board shall consider the changed circumstances or other fac-  
15 tors which warrant a change from the general development plan, as pre-  
16 viously approved; ~~any specific development plan constituting a sub-~~  
17 ~~stantial change shall be subject to the same provisions that are appli-~~  
18 ~~cable to amendments to the general development plan under sec. 44.63.150 of~~  
19 ~~this chapter; approval of a specific development plan, is an amendment~~  
20 ~~to the relevant portion of the general development plan;~~

21 (2) the location and adequacy of all streets and highways;  
22 transportation facilities, public utilities, community and recreational  
23 facilities, and all public services necessary to serve the land uses  
24 contemplated by the specific development plan;

25 (3) the effect of all proposed land uses within the specific  
26 development plan upon adjacent land uses, whether existing or proposed,  
27 located within or adjacent to the capital city area.

28 Sec. 44.63.150. RELATIONSHIP OF CORPORATION, THE STATE AND MUNI-  
29 CIPALITIES. (a) In carrying out the purposes of this chapter, the

1 corporation shall work closely with, consult and cooperate with the  
2 state, the Matanuska-Susitna Borough, and the capital city, and their  
3 departments, agencies or instrumentalities.

4 (b) All state agencies and all municipalities <sup>shall</sup> ~~co-~~ co-  
5 operate with the corporation and may extend to the corporation, with or  
6 without consideration, any function, or other assistance which they are  
7 empowered to render or perform and enter into agreements with the cor-  
8 poration. Upon the corporation's request, any governmental entity may  
9 transfer to the corporation any officers and employees the corporation  
10 considers necessary to assist the corporation in carrying out its func-  
11 tions and duties under this chapter. Officers and employees so trans-  
12 ferred retain their status and rights as public employees and are com-  
13 pensated by their employing agency which shall continue to exercise all  
14 of its rights as employer.

15 (c) ~~In addition to the agreement authorized by AS 29.18.640,~~ The  
16 corporation may enter into agreements with the capital city providing  
17 that the city furnish, as necessary, for the capital city area included  
18 in any <sup>development</sup> ~~development~~ program which has not yet been completed, municipal  
19 services as fixed in the agreements. The agreements may provide for  
20 payment by the corporation to the city of the costs of these services on  
21 a formula or other basis as may be fixed in the agreements.

22 (d) In implementing the development program, the corporation may  
23 enter into contractual agreements with any public agency for the fur-  
24 nishing of any facilities or services necessary or desirable for the  
25 development program, ~~and the public agency, notwithstand any other~~  
26 ~~law, may enter into such agreements with the corporation~~  
27 ~~and do all things necessary to carry out its obligations under them.~~

28 (e) The corporation, on behalf of itself or in its own name on  
29 behalf of any person performing work in connection with the general

1 development plan or a specific development plan, may file a master  
2 application as provided in AS 46.35.030 in order to obtain required  
3 permits. Upon filing an acceptable master application the corporation  
4 shall submit a schedule setting out the date before which each permit  
5 required must be issued in order to allow work to proceed in accordance  
6 with the plan. Each permit shall be either granted or denied no later  
7 than 60 days from the date submitted with the master application. If  
8 the permit is neither granted nor denied, it shall be considered to have  
9 been granted and may be revoked only with the prior approval of the  
10 governor. If a permit is denied, the corporation may appeal the denial  
11 directly to the governor who shall receive written submissions from the  
12 affected agency and the corporation on an expedited basis and render a  
13 decision either reversing the decision of the agency and granting the  
14 permit or upholding the decision of the agency. No permit may be denied  
15 on the ground that the affected agency has not had a sufficient oppor-  
16 tunity to make tests, studies, evaluations or other investigations. The  
17 corporation and the Department of Environmental Conservation shall  
18 cooperate in expediting the review process to the greatest possible  
19 extent by consolidating hearings and otherwise avoiding a multiplicity  
20 of written or oral submissions. No agency may demand as a condition of  
21 commencing its investigations that the corporation bear the agency's  
22 costs and expenses in connection with the investigation. The corpora-  
23 tion may amend the master application at any time and may seek addi-  
24 tional permits. The corporation shall use its best efforts to fully  
25 cooperate with all affected agencies and shall give all such agencies  
26 complete access to the corporation's relevant documents and records. To  
27 the extent that there is an inconsistency or conflict between the pro-  
28 visions of this subsection and the Environmental Procedures Coordination  
29 Act (AS 46.35) or with any other statute regarding the issuance of

1 permits, the provisions of this subsection shall control.

2 (f) The specific development plan and any amendments shall be  
3 recorded in the appropriate recording district.

4 ~~Sec. 44.63.160. ACQUISITION OF REAL PROPERTY. Upon making a~~  
5 finding that it is necessary or convenient to acquire any real property,  
6 or an interest in it, located in the capital city area, or any real  
7 property located outside the capital city area, for the purpose of  
8 providing water, sewer, road, airport or other utility or facility for  
9 the capital city area, for its immediate or future use, the corporation  
10 may <sup>acquire the property on behalf of the corp.</sup> acquire the property in any lawful manner, including the exercise of  
11 the power of eminent domain, under the provisions of AS 09.55.240 -  
12 09.55.460. The corporation may, in its discretion, file a declaration  
13 of taking and have title and right vest in it as provided in AS 09.55.-  
14 ~~440 and as otherwise provided by law.~~

15 Sec. 44.63.170. STATE LOANS. The commissioner of revenue may loan  
16 to the corporation from surplus money in the general fund a sum not to  
17 exceed \$153,000,000. Before any disbursement of the proceeds of the  
18 loan, the commissioner of revenue, with the approval of the governor,  
19 shall enter into a loan agreement with the corporation providing for the  
20 terms of repayment ~~of the loan over the period of years and at the rate~~  
21 or rates of interest as may be fixed in the loan agreement. The loan  
22 agreement ~~may provide for disbursement of the proceeds of the loan~~  
23 ~~of the loan to be made in accordance with the schedule of disbursement~~  
24 ~~dates and shall~~ shall provide for (1) a periodic disbursement sche-  
25 dule of the loan proceeds consistent with the progress of the general  
26 development plan of the corporation during each fiscal year of the state  
27 and consistent with the projected financial ability of the state to  
28 disburse loan proceeds in each fiscal year, and (2) an annual or other  
29 periodic review procedure by a committee consisting of the commissioner

1 of revenue and four commissioners of principal departments of state  
2 government appointed by the governor to determine (A) whether the finan-  
3 cial and economic projections contained in the general development plan  
4 and specific development plans are being fulfilled, and (B) whether the  
5 financial condition of the state will accommodate each annual loan  
6 disbursement. The Legislative Budget and Audit Committee shall make the  
7 same review provided for in the agreement and report its findings to the  
8 committee. The loan agreement shall provide that the recommendations of  
9 the committee, based on the determinations made by the committee, shall  
10 govern the amount of each loan disbursement.

11 Sec. 44.63.180. DISPOSITION OF PROPERTY. (a) The corporation  
12 shall adopt regulations for the sale, lease or other disposal of pro-  
13 perty under this chapter. After adoption of regulations and of one or  
14 more specific development plans, the corporation may sell, lease or  
15 otherwise dispose of, all or any portion of the property encompassed by  
16 the plans to any person, either public or private, upon the terms and  
17 conditions it determines but only if the board of directors specifically  
18 finds that the terms and conditions of the sale, lease or other disposal  
19 arrangement are in substantial conformity with the plans. Before the  
20 sale, lease or other disposal of any property by the corporation, public  
21 notice of the intention of the corporation to do so shall be given by  
22 publication of a general description of the terms at least 10 days  
23 before the sale, lease or disposal in a newspaper of general circulation  
24 in the Third Judicial District.

25 (b) Notwithstanding any other law ~~concerning the disposition~~  
26 ~~with respect to the sale, lease or other disposal of~~ any sale, lease or other disposal of  
27 property may be made without public bidding or public sale, under a  
28 negotiated contract, agreement or lease and containing any terms the  
29 corporation determines to be necessary or desirable for the implementa-

*...of an approved development plan  
land designated for public use, other than for  
use by the state, shall be conveyed to the  
capital city.*

1 tion of a specific development plan if public notice is given in accor-  
2 dance with (a) of this section.

3 (c) The real property in the capital city area is not subject to  
4 the provisions of the Alaska Land Act (AS 38.05).

5 Sec. 44.63.190. TRANSFER OF STATE-OWNED REAL PROPERTY. The com-  
6 missioner of natural resources and any other state official having  
7 jurisdiction over the conveyance or transfer of state-owned land shall,  
8 within 60 days after the written request of the chairman of the cor-

9 poration, convey to the corporation all of the state land, ~~including~~  
10 ~~lands~~ *land* ~~lying within the~~ *lying within the* ~~corporation~~. The transfer and

11 conveyance shall contain reservations required by federal law and the  
12 Alaska constitution.

13 Sec. 44.63.200. CONSTRUCTION CONTRACTS. (a) The corporation  
14 shall adopt regulations under this chapter establishing procedures for  
15 entering into contracts for construction of facilities and improvements  
16 on all or any part of any development program in accordance with the  
17 procedures established in AS 35.15. ~~The corporation shall not~~

18 ~~enter into a construction contract unless the funds or a commitment letter are in the hands~~  
19 construction contract may be entered into requiring the expenditure of  
20 borrowed funds unless the funds or a commitment letter are in the hands  
21 of the corporation.

22 (b) Notwithstanding the provisions of (a) of this section or any  
23 other law, ~~unless the funds or a commitment letter are in the hands of the corporation,~~  
24 the corporation may adopt regulations providing that it may, when it  
25 finds that the bid process of (a) of this section would unreasonably  
26 impede implementation of a development program or would otherwise be  
27 detrimental to the financial objectives underlying the development  
28 program, enter into a construction contract for all or any part of a  
29 development program without public bidding. The negotiated contract may

1 contain any terms the corporation considers necessary or desirable for  
2 the implementation of the development program. No contract under this  
3 subsection except contracts for personal services or contracts involving  
4 the expenditure of less than \$20,000 may be entered into unless the  
5 corporation has given public notice of its intention to enter into the  
6 contract at a meeting at which the proposed contract is available for  
7 inspection and an opportunity for members of the public to be heard is  
8 afforded. The corporation shall include in the report required by sec.  
9 370 of this chapter a statement of the circumstances justifying a con-  
10 tract entered into under the authority of this subsection.

11 Sec. 44.63.210. MONEY OF THE CORPORATION. (a) The legislative  
12 auditor may examine all the accounts and books of the corporation and  
13 all other records and papers relating to its financial standing. The  
14 Legislative Budget and Audit Committee shall conduct an examination at  
15 least once every two years or may accept an independent audit of the  
16 corporation by a firm of certified public accountants made at the re-  
17 quest of the corporation in satisfaction of the examination requirement.

18 ~~(b) Any money of the corporation, including the proceeds of bonds,~~  
19 or notes not required for immediate use, may be invested in the same  
20 manner and on the same conditions as permitted for the investment of  
21 funds of the state or held in the treasury under AS 37.10.070. The  
22 corporation may agree with bondholders or noteholders to further limit  
23 investments.

24 (c) The corporation may contract with holders of any of its bonds  
25 or notes as to the custody, collection, securing, investment and payment  
26 of any money of the corporation or of any money held for the payment of  
27 bonds or notes, and may carry out that contract. Money held for the  
28 payment of bonds or notes or in any way to secure bonds or notes and  
29 ~~deposits of the money may be secured in the same manner as money of the~~

1 ~~corporation, and all banks and trust companies may give security for~~  
2 ~~these deposits.~~

3       Sec. 44.63.220. TAX EXEMPTION. The interest of the corporation in  
4 the real and personal property of the corporation and its assets, income  
5 and receipts are declared to be property of a political subdivision of  
6 the state and shall be exempt from all taxes and special assessments of  
7 the state or a political subdivision of the state. The interest of  
8 others in real or personal property of the corporation is taxable by the  
9 Matanuska-Susitna Borough and the capital city to the extent authorized  
10 by law. ~~All bonds of the corporation are issued by a political subdivision~~  
11 ~~division of the state and for an essential public and governmental~~  
12 ~~purpose and the bonds are issued for interest income and from them the~~  
13 ~~taxes for the bonds, and the interest income and receipts pledged to~~  
14 ~~pay or secure the payment of the bonds, or interest on the bonds~~  
15 ~~is taxation except for state taxes.~~

16 ~~ARTICLE 44. THE DEPARTMENT OF FINANCE~~

17       Sec. 44.63.230. BONDS AND NOTES OF THE CORPORATION. (a) The  
18 corporation may issue its bonds and notes in the principal amounts  
19 which, in the opinion of the corporation, are necessary to provide  
20 sufficient funds for carrying out any of its corporate purposes, in-  
21 cluding but not limited to, the undertaking and completion of develop-  
22 ment programs, the payment of interest on bonds and notes of the cor-  
23 poration, the receipt of funds in anticipation of the sale of bonds of  
24 the corporation, the refunding of bonds for the purpose of paying or  
25 retiring bonds previously issued by it, the establishment of reserves  
26 secure such bonds or notes and all other expenditures of the corporation  
27 incident to and necessary or convenient to carry out its corporate  
28 purposes and powers. No bonds or notes may be issued by the corporation

29 ~~unless the state bond committee (as 37.15.110) files its written consent~~

1 ~~to the issuance of the bonds or notes. The limitation in this section~~  
2 tion does not apply to the issuance of notes or other evidences of  
3 indebtedness issued by the corporation under sec. 170 of this chapter.

4 (b) Principal and interest on bonds and notes issued by the cor-  
5 poration may be payable

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

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

12 (3) from its income and receipts or other assets generally,  
13 or a designated part or parts of them.

14 (c) Bonds and notes shall be authorized by resolution of the board  
15 of directors, and be dated and shall mature as the resolution may pro-  
16 vide. Bonds and notes shall bear interest at the rate or rates, be in  
17 the denominations, be in the form, carry the registration privileges,  
18 have the rank and priority, be executed in the manner, be payable in the  
19 medium of payment, at the place or places, and be subject to the terms  
20 of redemption which the resolution or a subsequent resolution may pro-  
21 vide.

22 (d) Bonds or notes of the corporation may be sold at the price, at  
23 public or private sale, and in the manner as may be determined by the  
24 corporation. The corporation may pay all expenses, premiums and com-  
25 missions, and give any discounts which it considers necessary or advan-  
26 tageous in connection with the issuance and sale of its bonds and notes.

27 (e) Issuance by the corporation of one or more series of bonds or  
28 notes for one or more purposes does not prevent it from issuing other

29 ~~bonds or notes in connection with the same development program on any~~

1 ~~other development program but the proceedings in which subsequent bonds~~  
2 or notes are issued shall recognize and protect any prior pledge or  
3 mortgage made for any prior issue of bonds or notes unless in the pro-  
4 ceedings authorizing the prior issue the right is reserved to issue  
5 subsequent bonds or notes on a parity with or superior to the prior  
6 issue.

7 (f) The corporation may issue its bonds or notes for the purpose  
8 of refunding any bonds or notes of the corporation then outstanding,  
9 including the payment of any redemption premium and any interest accrued  
10 or to accrue to the earliest or subsequent date of redemption, purchase  
11 or maturity of the bonds or notes, and, if the corporation considers  
12 advisable, for the additional purpose of paying all or any part of the  
13 cost of undertaking, acquiring, constructing, reconstructing, or im-  
14 proving a development program, or the making of a mortgage loan on a  
15 development program. The corporation, in its discretion, may apply the  
16 proceeds of any bonds or notes issued for the purpose of refunding  
17 outstanding bonds or notes to the purchase or retirement at maturity or  
18 redemption of the outstanding bonds or notes either on their earliest or  
19 any subsequent redemption date, and, pending the application, may place  
20 the proceeds in escrow to be applied to the purchase or retirement at  
21 maturity or redemption at the date the corporation determines. Any  
22 escrowed proceeds, pending their use, may be invested and reinvested in  
23 obligations, securities and other investments as provided in the reso-  
24 lution or resolutions authorizing the refunding bonds or notes. The  
25 interest, income and profits, if any, realized on any such investment  
26 may also be applied to the payment of the outstanding bonds or notes to  
27 be refunded. After the terms of the escrow have been fully satisfied,  
28 any balance of the proceeds, and interest, income and profits, if any,

29 ~~earned or realized on the investments, may be returned to the corporation~~  
30

~~FROM FOR ITS USE. The bonds or notes shall be issued and secured and~~  
shall be subject to the provisions of this chapter in the same manner  
and to the same extent as any other bonds or notes issued under this  
chapter.

(g) The resolution authorizing the issuance of bonds or notes may  
contain provisions with respect to any of the matters referred to in  
this section, as well as any other matters which in any way affect the  
security or protection of the bonds or notes. The resolution may be  
made a part of the contract with the holders of the bonds or notes.

Sec. 44.63.240. SECURITY FOR BONDS OR NOTES. (a) The principal  
of and interest on any bonds or notes issued by the corporation may be  
secured by a pledge of any revenues and receipts of the corporation and  
may be secured by a mortgage or other instrument covering all or any  
part of any real or personal property or all or any part of a develop-  
ment program, including any additions, improvements, extensions to or  
enlargements of any development program.

(b) Bonds or notes issued for the acquisition, construction,  
reconstruction, or improvement of all or any part of a development  
program may also be secured by assignment of a lease of, or sales con-  
tract or mortgage on, all or any part of the development program and by  
an assignment of the revenues and receipts derived by the corporation  
from the lease, sales contract, or mortgage.

(c) The resolution under which the bonds or notes are authorized  
to be issued and any mortgage, lease, sales contract, or other instru-  
ment may contain agreements and provisions respecting the maintenance of  
the development program or programs, the fixing and collection of rents  
or other revenues, including money received in repayment of mortgage  
loans and interest, the creation and maintenance of special funds from

~~RENTS OF OTHER REVENUES, AND THE PROFITS AND REVENUES AVAILABLE THEREFROM~~

~~upon which any or all of the bonds or notes shall be secured~~

1  
2 (d) In connection with the issuance of bonds or notes, and in  
3 order to further secure the payment of obligations, the corporation, in  
4 addition to its other powers, may

5 (1) covenant against pledging all or a part of its rents,  
6 receipts and other revenues, or against mortgaging all or a part of its  
7 real or personal property, to which its right or title exists or may  
8 come into existence or against permitting or suffering any lien on the  
9 revenues or property or as to the use and disposition of the revenues;

10 (2) covenant with respect to limitations on its right to  
11 sell, lease or otherwise dispose of personal or real property, improved  
12 or unimproved, or any part of the property;

13 (3) covenant as to what other or additional debts or obliga-  
14 tions may be incurred by it;

15 (4) covenant as to the bonds or notes to be issued and as to  
16 the issuance of the bonds or notes in escrow or otherwise, and as to the  
17 use and disposition of the proceeds of bonds or notes;

18 (5) provide for the replacement of lost, destroyed or wuti-  
19 lated bonds or notes;

20 (6) covenant against extending the time for the payment of  
21 its bonds or interest on the bonds or notes;

22 (7) prescribe the procedure by which the terms of a contract  
23 with bondholders or noteholders may be amended or abrogated, the amount  
24 of bonds or notes the holders of which must consent, and the manner in  
25 which the consent may be given;

26 (8) covenant as to the rights, liabilities, powers and duties  
27 arising upon the breach by it of a covenant, condition, or obligation;  
28 covenant and prescribe as to events of default and terms and conditions

29 ~~upon which any or all of the bonds or notes shall be secured~~

~~1~~ tions upon which this declaration and its consequences may be waived;

2  
3 (9) vest in a trustee or trustees or the holders of bonds or  
4 notes or a specified proportion of them, the right to enforce the pay-  
5 ment of the bonds or notes or covenants securing or relating to the  
6 bonds or notes;

7 (10) vest in one or more trustees the right, in the event of  
8 a default by the corporation, to take possession of any real property or  
9 improvements constituting all or any part of a development program, and  
10 so long as the corporation continues in default to retain possession and  
11 to use, operate and manage the real property and improvements, to col-  
12 lect the rents and revenues, and to dispose of the money according to an  
13 agreement between the corporation and the trustees;

14 (11) provide for the powers and duties of the trustees, and  
15 limit the liability of the trustees;

16 (12) provide the terms and conditions upon which the trustee  
17 or trustees or the holders of bonds or notes, or portions of bonds or  
18 notes, may enforce a covenant or right securing or relating to the bonds  
19 or notes; and

20 (13) make covenants other than and in addition to the cove-  
21 nants expressly authorized in this subsection, of like or different  
22 character, and make covenants to do or refrain from doing acts and  
23 things as may be necessary, or convenient and desirable, in order to  
24 better secure bonds or notes or which, in the discretion of the corpor-  
25 ation, will tend to make bonds or notes more marketable, notwithstanding  
26 that the covenants, acts or things may not be enumerated in this sub-  
27 section.

28 (c) Each pledge, agreement, mortgage or other instrument made for  
29 ~~the benefit or security of any of the bonds or notes of the corporation~~

1 ~~shall continue to be effective until the principal or interest on~~  
2 the bonds or notes are fully paid, or until provision is made for pay-  
3 ment in the manner provided in the resolution or resolutions under which  
4 the bonds or notes are authorized. The pledge of assets or revenues of  
5 the corporation to the payment of the principal or interest on any bonds  
6 or notes is valid and binding from the time the pledge is made, and the  
7 assets or revenues are immediately subject to the lien of the pledge  
8 without physical delivery or further act. The lien of any pledge is  
9 valid and binding against all parties having claims of any kind in tort,  
10 contract or otherwise against the corporation, irrespective of whether  
11 those parties have notice of the lien of the pledge.

12 (f) The corporation may provide in any proceedings under which  
13 bonds or notes may be authorized that all or any part of a development  
14 program may be constructed, reconstructed or improved by the corpora-  
15 tion, any lessee, or any purchaser from or any designee of the corpora-  
16 tion, and may also provide in the proceedings for the time and manner and  
17 and requisites for disbursements to be made for the cost of the con-  
18 struction, and for all such certificates and approvals of construction  
19 and disbursement as the corporation considers necessary and provides for  
20 in the proceedings.

21 (g) If the corporation considers it advisable, the corporation may  
22 retain, in the proceedings under which any of its bonds or notes are  
23 authorized to be issued, an option to redeem all or any part of the  
24 bonds or notes as specified in the proceedings, at the price or prices  
25 after any notice or notices, and on the terms and conditions as are set  
26 out in the proceedings and as are stated on the face of the bonds or  
27 notes. Nothing in this subsection shall be construed to give the cor-  
28 poration any right or option to redeem any bonds or notes except as is

29 ~~provided in the proceedings under which they are issued.~~

~~Sec. 44-59-250. RESERVE FUNDS. (a) To assure the continued~~

operation and solvency of the corporation for the carrying out of the public purposes of this chapter, the corporation may establish one or more reserve funds to be known as debt service reserve funds and may pay into these reserve funds (1) any proceeds of sale of bonds and notes to the extent provided in the resolution of the corporation authorizing their issuance, and (2) any other money which is available to the corporation, for the purposes of the funds, from the state or from any other source or sources. The money held in or credited to a debt service reserve fund established under this section, except as otherwise provided, shall be used solely for the payment of the principal of bonds of the corporation secured by the reserve fund as the bonds mature, the purchase of the bonds of the corporation, the payment of interest on the bonds of the corporation, or the payment of any redemption premium required to be paid when the bonds are redeemed before maturity. Money in a debt service reserve fund may not be withdrawn from the fund in an amount which would reduce the amount of the fund to less than the required debt service reserve, except for the purpose of paying principal and interest on the bonds of the corporation secured by the reserve fund maturing and becoming due and for the payment of which other money of the corporation is not available. Any income or interest earned by, or increment to, a debt service reserve fund may be transferred to any other fund or account of the corporation to the extent it does not reduce the amount of the debt service reserve fund below the required debt service reserve. As used in this section, "required debt service reserve" means, as of the date of computation, the amount required to be on deposit in the reserve fund as provided by resolution of the corporation.

~~(b) The corporation may not issue bonds unless there is in the~~

1 ~~reserve fund the required debt service reserve from which to be drawn there.~~  
2 and outstanding and for the bonds to be issued unless the corporation,  
3 at the time of issuance of the bonds, deposits in the reserve fund from  
4 the proceeds of the bonds to be issued, or otherwise, an amount which  
5 together with the amount then in the reserve fund will be not less than  
6 the required debt service reserve.

7 (c) In order to further assure the maintenance of the required  
8 debt service reserve, there may be annually paid by the state to the  
9 corporation for deposit in each debt service reserve fund a sum certi-  
10 fied by the chairman of the board of directors to the governor as neces-  
11 sary to restore the reserve fund to the required debt service reserve.  
12 The chairman of the board of directors shall annually, on or before  
13 January 1, make and deliver to the governor and to the chairmen of the  
14 house and senate finance committees, his certificate stating the sum  
15 required to restore each debt service reserve fund to the required debt  
16 service reserve, and the sum may be appropriated by the legislature and  
17 paid to the corporation during the then current state fiscal year.  
18 Nothing in this subsection creates a debt or liability of the state.

19 (d) In computing any debt service reserve fund for the purposes of  
20 this section, securities in which all or a portion of the reserve fund  
21 are invested shall be valued at par, or if purchased at less than par,  
22 at their cost to the corporation.

23 (e) Whenever the corporation has established a debt service re-  
24 serve fund, the commissioner of revenue may lend surplus money in the  
25 general fund to the corporation for deposit in a debt service reserve  
26 fund in an amount equal to the required debt service reserve. The loans  
27 shall be made on such terms and conditions as may be agreed upon by the  
28 commissioner of revenue and the corporation, including without limita-

29 ~~tion, terms and conditions providing that the loans need not be repaid.~~

1 ~~until the obligations of the corporation secured and to be secured by~~

2 the debt service reserve fund are no longer outstanding.

3 (f) The corporation may establish additional reserves or other  
4 funds or accounts as may be, in its discretion, necessary, desirable, or  
5 convenient to further the accomplishment of its purposes or to comply  
6 with the provisions of any of its agreements or resolutions.

7 Sec. 44.63.260. AGREEMENTS OF THE STATE WITH RESPECT TO BONDS.

8 The state pledges to and agrees with the holders of any bonds or notes  
9 issued under this chapter, that the state will not limit or alter the  
10 rights vested in the corporation to fulfill the terms of any agreements  
11 made with the holders of the bonds or notes, or in any way impair the  
12 rights and remedies of the holders until the bonds or notes, together  
13 with interest, with interest on any unpaid installments of interest, and  
14 all costs and expenses in connection with any action or proceeding by or  
15 on behalf of the holders, are fully met and discharged. The corporation  
16 may include this pledge and agreement of the state in any agreement with  
17 the holders of bonds or notes.

18 Sec. 44.63.270. CREDIT OF STATE NOT PLEDGED. The bonds or notes  
19 of the corporation do not constitute a debt, liability or obligation of  
20 the state or any political subdivision of the state, and each bond or  
21 note shall so state on its face. The obligations of the corporation are  
22 payable solely from the pledged funds and properties of the corporation,  
23 and the corporation may not pledge the faith and credit or the taxing  
24 power of the state or of any political subdivision of the state to the  
25 payment of any principal of or interest on any obligation of the cor-  
26 poration. Bonds and notes of the corporation do not constitute a debt,  
27 indebtedness or the borrowing of money within the meaning of any limi-  
28 tation or restriction on the issuance of bonds contained in the consti-  
29

30 ~~tion of laws of the state~~

1 ~~Sec. 44.63.290. BONDS AND NOTES AS LEGAL INVESTMENTS. The DO-~~  
2 and notes of the corporation are securities in which all public offi-  
3 cers, bodies, and municipalities of the state, all insurance companies  
4 and associations, and other persons carrying on an insurance business,  
5 all banks, trust companies, savings banks and savings associations,  
6 investment companies and other persons carrying on a banking business,  
7 all administrators, guardians, executors, trustees and other fiduci-  
8 aries, and all other persons who are authorized to invest in bonds or  
9 other obligations of the state may properly and legally invest funds

10 ~~including capital in their control or belonging to them.~~  
11 ~~ARTICLE 44. CAPITAL CITY DEVELOPMENT OVERSIGHT COMMITTEE~~  
12 **Sec. 44.63.290. CAPITAL CITY DEVELOPMENT OVERSIGHT COMMITTEE**  
13 **ESTABLISHED.** The Capital City Development Oversight Committee is estab-  
14 lished as a permanent interim committee of the legislature beginning  
15 with the Eleventh Legislature. The establishment of the committee  
16 recognizes the need of the legislature for review and oversight of the  
17 development of the new capital city.

18 **Sec. 44.63.300. MEMBERSHIP.** The committee is composed of eight  
19 members: the president of the senate, the speaker of the house, the  
20 chairmen of the finance committee, the chairmen of the state affairs  
21 committees, and one member appointed from each house by the respective  
22 presiding officer. The membership from each house shall include at  
23 least one member from each of the two major political parties. The  
24 committee shall select its own chairmen.

25 **Sec. 44.63.310. TERM OF MEMBERSHIP.** (a) The committee shall be  
26 organized within 15 days after the organization of each legislature.  
27 Members serve for the duration of the legislature during which they are  
28 appointed. If a member is reelected or his term of office extends into

1 or the appointment of his successor

2 (b) When a member of the committee files a declaration of candi-  
3 dacy for an elective office other than that of member of either house of  
4 the legislature, and he has not resigned from membership on the com-  
5 mittee, his committee membership terminates on the date of filing.

6 Sec. 44.63.320. VACANCIES. When a vacancy occurs in the statutory  
7 or appointive membership of the committee, the presiding officer of the  
8 house incurring the vacancy shall choose a successor. If the office of  
9 the president of the senate or speaker of the house of representatives  
10 becomes vacant and a vacancy from the affected house occurs among the  
11 membership of the committee, the remaining committee members from the  
12 house incurring the vacancy shall appoint a new member.

13 Sec. 44.63.330. MEETINGS. The committee may meet during sessions  
14 of the legislature and during the interim between sessions at such times  
15 and places in the state as the chairman may determine. Members may  
16 receive, for the minimum time required to get to and from meetings and  
17 for the period while attending meetings, the same travel and per diem  
18 allowances provided by law for members of the legislature when attending  
19 sessions, except that members of the committee receive no per diem  
20 during legislative sessions other than the per diem allowance paid to  
21 other members of the legislature.

22 Sec. 44.63.340. POWERS. The committee has the power to

- 23 (1) organize and adopt rules for the conduct of its business;  
24 (2) hold public hearings;  
25 (3) require all state officials and agencies of state govern-  
26 ment to give full cooperation to the committee or its staff in assem-  
27 bling and furnishing requested information;  
28 (4) prepare and distribute reports, memoranda, or other

1  
2 lative Budget and Audit Committee relating to the corporation;

3 (6) make recommendations for legislative action relating to  
4 the capital relocation and planning and development of the new capital  
5 city.

6 Sec. 44.63.350. STAFF. The legislative audit division and the  
7 legislative finance division shall provide audits, reports and analyses  
8 requested by the committee. The committee may hire and determine the  
9 salary of the staff it considers necessary within the limit of the  
10 budget approved by the legislature.

11 Sec. 44.63.360. DUTIES. The committee shall report to the legis-  
12 lature annually. The report shall include any considerations the com-  
13 mittee considers relevant to the planning and development of the new  
14 capital city and to the performance of the capital city development

15  
16 ARTICLE 6. GENERAL PROVISIONS.

17 Sec. 44.63.370. EXECUTIVE BUDGET ACT. The corporation is ~~not~~  
18 subject to the provisions of the Executive Budget Act (AS 37.07).

19 Sec. 44.63.380. ANNUAL BUDGET. The board of directors shall  
20 review and approve, by a two-thirds vote of members of the board, the  
21 annual operational and capital program and budget for the corporation  
22 and may, by two-thirds vote, amend the program and budget. No corporation  
23 funds may be expended or money borrowed except in accordance with ~~the~~  
24 ~~approved annual operational and capital program and budget.~~

25 Sec. 44.63.390. ANNUAL REPORT. The corporation shall submit to  
26 the governor, the Legislative Budget and Audit Committee, and the com-  
27 mittee established by sec. 170 of this chapter, within three months  
28 after the end of the corporation's fiscal year, a complete financial  
29 report audited by a certified public accountant or firm of certified

1 public accountants, which shows

2 (1) its receipts and expenditures during its fiscal year;

3 (2) its assets and liabilities at the end of its fiscal year,  
4 including a schedule of its leases and mortgages and the status of  
5 reserve, special and other funds; ~~and~~

6 ~~(3) ~~the progress of fulfillment of the financial and~~~~  
7 ~~economic projections contained in the general development and~~  
8 ~~specific development plans; and~~ ~~which also sets out statements~~  
9 ~~in ~~subsections~~~~

10 (4) the progress of fulfillment of the financial and  
11 economic projections contained in the general development and  
12 specific development plans; and

13 (5) its operations and accomplishments and any material  
14 problems encountered in implementing the development plan.

15 Sec. 44.63.400. CONFLICTS OF INTEREST. (a) No director or em-  
16 ployee of the corporation or member of the advisory board may partici-  
17 pate in any decision of the corporation ~~relating to the corporation's~~ in  
18 which he has a direct or indirect financial interest.

19 (b) The executive director and members of the board of directors  
20 are subject to AS 39.50.

21 Sec. 44.63.410. LIMITATION OF LIABILITY. No person executing a  
22 ~~bond or~~ note of the corporation is liable personally on such obligations  
23 by reason of their issuance.

24 Sec. 44.63.420. TERMINATION OF CORPORATION. (a) Unless a deter-  
25 mination is made under (b) of this section to extend the existence of  
26 the corporation, the ~~board of directors shall determine to~~  
27 ~~terminate the~~ existence of the corporation <sup>shall terminate</sup> upon the occurrence of any of  
28 the following events: (1) the board's determination that the general  
29 development plan has been <sup>substantially implemented</sup> completed; (2) the attainment by the capital  
30

1 city of a population of <sup>12,000</sup>~~12,100~~ as certified by the Department of Com-  
2 munity and Regional Affairs; or (3) the arrival of the year <sup>1987</sup>~~1984~~. The  
3 ~~resolution shall be adopted in accordance with the procedures set forth in~~  
4 ~~the 1984 Act, Chapter 100.~~

5 (b) Not later than one year before the anticipated occurrence of  
6 any of the events in (a) of this section, the board of directors shall  
7 recommend to the legislature and the legislature shall determine whether  
8 the corporation shall continue in existence beyond the occurrence of the  
9 event.

10 ~~(c) No law which terminates or materially alters the corporation's existence or mater-~~  
11 ~~ially alters its powers in a manner which adversely affects its capaci-~~  
12 ~~ty to repay bonds, notes or other obligations outstanding may take effect~~  
13 ~~so long as any bonds, notes or obligations remain outstanding, unless~~  
14 ~~adequate provision has been made for their payment as provided in the~~  
15 ~~Act providing for their securing them.~~

16 Sec. 44.63.430. DEFINITIONS. In this chapter, unless the context  
17 requires otherwise,

18 ~~(1) "bonds" and "notes" mean the bonds and notes issued by~~  
19 ~~the corporation under this chapter;~~

20 (2) "capital city area" or "capital city site" means the area  
21 specified in AS 29.18.520;

22 (3) "capital city" means the municipality created under AS  
23 29.18.500 - 29.18.660;

24 ~~(4) "corporation" means the Alaska Capital City Development~~  
25 ~~Corporation created by sec. 20 of this chapter;~~

26 (5) "corporation" means the Alaska Capital City Development  
27 Corporation created by sec. 20 of this chapter;

28 (6) "advisory board" means the Development Advisory Board  
29 created under sec. 110 of this chapter;

1 (7) "development program" means one or more works, under-  
2 takings or improvements (surface, subsurface, or overhead) or buildings  
3 constructed, reconstructed, or improved or to be constructed, recon-  
4 structed, or improved by the corporation within the capital city area,  
5 under one or more specific development plans, as the corporation con-  
6 siders necessary or appropriate;

7 (8) "facility" means any utility or infra-structure plant and  
8 any system or improvement, whether used or useful for residential,  
9 educational, commercial, institutional, community, private, semi-private  
10 or public purposes, including, without limitation, facilities such as  
11 roads and public transportation systems, parks and recreational facili-  
12 ties, water, sewer and drainage systems, electric, telephone and other  
13 energy or communications systems or utilities and health, educational  
14 and community facilities, and private facilities such as housing, com-  
15 mercial and industrial enterprises, in each case of whatever kind or  
16 character and under whatever form of ownership, and all necessary real  
17 or personal property;

18 (9) "general development plan" means a general land use and  
19 land development plan for the capital city area which contains the  
20 elements set out in sec. 30 of this chapter;

21 ~~(10)~~ "improved real property" means land on which there are  
22 structures to be used for purposes under the general development plan  
23 and land used in connection with the structures;

24 ~~(11)~~ "real property" or "land" includes any right, title or  
25 interest in real property of any kind, including, but without limita-  
26 tion, land under water and ~~subsurface~~ or air rights separated from  
27 surface rights;

28 (12) "municipality" means a home rule or general law city or  
29 borough including but not limited to the capital city and a unified

1 municipality organized under AS 29.68.240 - 29.68.440;

2 (13) "private firm" means any private person, partnership,  
3 corporation, foundation, trust, or other business entity whether orga-  
4 nized for profit or not for profit;

5 (14) "public agency" means any officer, department, board,  
6 commission, bureau, division, public corporation, agency or instru-  
7 mentality of the state, the United States, or any municipality;

8 ~~(15) "actions" means actions of the corporation to imple-~~  
9 ~~ment secs. 120(21), 180 and 200 of this chapter adopted in accordance~~  
10 ~~with sec. 20(h) of this chapter and any other action by the corporation~~  
11 ~~which it determines to take in the manner provided in sec. 100 of this~~  
12 ~~chapter to implement any other provision of this chapter.~~

13 (16) "specific development plans" means the various plans for  
14 the implementation of each phase or segment of the general development  
15 plan, which contain the elements more particularly set out in secs. 130  
16 and 140 of this chapter.

17 \* Sec. 2. AS 29.18 is amended by adding new sections to read:

18 ARTICLE 5. CAPITAL CITY INCORPORATION.

19 Sec. 29.18.510. INCORPORATION. There is created and incorporated  
20 a city of the state as the capital city of Alaska which is a city of the  
21 first class. The capital city has all the powers of a first class city.

22 Sec. 29.18.520. BOUNDARIES. The boundaries of the capital city  
23 shall include all of that area of land designated by the voters of  
24 Alaska as the new capital site of the state.

25 Sec. 29.18.530. CITY COUNCIL. (a) Until council members elected  
26 by the residents of the capital city take office as provided in sec. 570  
27 of this chapter, the council of the capital city shall have five mem-  
28 bers, four of whom shall be appointed by the governor and shall serve at  
29 the pleasure of the governor. The development corporation shall design-

1 nate one person to serve as a member of the council. The council mem-  
2 bers appointed by the governor or designated by the development corpora-  
3 tion shall serve an initial term which expires on the Monday following  
4 the first Tuesday in October of the calendar year following the calendar  
5 year of initial appointment or designation. Council members may be  
6 reappointed by the governor or redesignated by the development corpora-  
7 tion. Except as provided in sec. 570 of this chapter, the successors of  
8 the initial appointees and designee shall serve for a term of two years  
9 commencing on the date the initial appointments and designation expire.  
10 Each appointee and designee shall hold office for the term of his ap-  
11 pointment and until his successor has been appointed or designated and  
12 has qualified.

13 (b) Council members appointed by the governor or designated by the  
14 development corporation need not be residents of the capital city.

15 (c) The council shall elect a chairman from among its membership.  
16 The chairman presides at council meetings, determines the agenda for  
17 council meetings, and carries out the other duties specified by ordi-  
18 nance.

19 Sec. 29.18.540. FILLING A VACANCY. If a vacancy occurs among the  
20 members appointed by the governor, the governor shall designate the  
21 replacement who shall serve for the unexpired portion of the term.

22 Sec. 29.18.550. APPOINTMENT OF CITY OFFICIALS. Until a mayor is  
23 elected in accordance with sec. 570 of this chapter, the council shall  
24 appoint a city manager for the capital city to serve at the pleasure of  
25 the council. The city manager may not be a council member.

26 Sec. 29.18.570. TRANSITION. (a) When the capital city attains a  
27 population of 400 permanent resident voters, as certified by the lieute-  
28 nant governor based on the best information available, the lieutenant  
29 governor shall notify the council of this determination. The lieutenant

1 governor shall specify an election date which shall be the first Tuesday  
2 of October following the notification, except that if it is less than  
3 six months from the date of the certification to the first Tuesday of  
4 October then the election date shall be the first Tuesday of October of  
5 the year following. The elected members shall take office on the Monday  
6 following the election.

7 (b) After the lieutenant governor has specified the election date,  
8 the council shall make arrangements for an election at which five coun-  
9 cil members and a mayor shall be elected in the manner prescribed by  
10 ordinance and law. The expenses of the election shall be borne by the  
11 state. The council of the capital city shall have six members. The  
12 governor shall designate one council member holding office on the date  
13 of the election to remain a member of the council for a single three-  
14 year term commencing on the date the elected council members take  
15 office. The successors to the appointed council members shall be  
16 elected by the residents, except that if the appointed council member  
17 leaves office during the three years, the governor may appoint a succes-  
18 sor. The terms of all other appointed or designated council members  
19 expire when the elected council members take office. The term of  
20 elected council members is as provided in AS 29.23.200(c) except that  
21 three of the members are elected for an initial term of one year.

22 ~~Sec. 20.18.610. PLANNING AND ZONING AUTHORITY. The general de-~~  
23 ~~velopment plan and specific development plans, through exercise of the~~  
24 ~~state of sovereignty over and right to develop its land, constitute the~~  
25 ~~land use plan for the capital city area and supersede all planning,~~  
26 ~~zoning, subdivision, building code, or other similar enactments of the~~  
27 ~~Matanuska-Susitna Borough in the capital city area until each given~~  
28 ~~parcel of land has been conveyed to a private owner and has been de-~~  
29 ~~veloped in accordance with the applicable general or special develop-~~

~~Continued~~

1  
2           Sec. 29.18.620. TRANSFER OF UTILITIES TO CAPITAL CITY. The de-  
3           velopment corporation, in cooperation with the capital city, shall  
4           arrange for and agree to an orderly schedule for transferring to the  
5           capital city ownership of, and financial and operational responsibility  
6           for utilities and any other facilities which the development corporation  
7           considers to be integral parts of the capital city infra-structure.  
8           Before January 1, 1985, the development corporation and the council of  
9           the capital city shall jointly retain independent consultants to study  
10          and determine an orderly schedule for transfer of these utilities and  
11          facilities to the capital city. The study shall consider the capabili-  
12          ties of the capital city and its existing and anticipated residents to  
13          finance the cost of these utilities and other facilities and their  
14          operating expenses. The consultants shall propose a recommended sche-  
15          dule for and terms of transfer which are commensurate with the capital  
16          city's existing and anticipated population, tax base and any other  
17          factors relating to its capability to finance and operate these facil-  
18          ities as they consider appropriate. The development corporation shall,  
19          after considering the consultants' report, propose a schedule of and  
20          terms and conditions of the transfer to the capital city, which shall,  
21          upon review and approval by the council, be included in an agreement  
22          between the development corporation and the capital city. If the de-  
23          velopment corporation and the capital city are unable to agree within  
24          six months after the development corporation submits its proposal, the  
25          development corporation shall submit the proposal to the Legislative  
26          Budget and Audit Committee which shall consider the proposal, and if the  
27          committee considers it appropriate to do so, shall recommend to the  
28          legislature legislation it considers desirable for the disposition of  
29          the utilities and other facilities. If the legislature does not enact

1 legislation regarding the disposition within one year after the proposal  
2 is submitted to the Legislative Budget and Audit Committee, the develop-  
3 ment corporation may at any time thereafter sell or dispose of the  
4 utilities and facilities or any of them to a private person or entity or  
5 government body, or continue to operate them.

6 Sec. 29.18.650. DEFINITIONS. In secs. 500 - 660 of this chapter,  
7 unless the context requires otherwise,

8 (1) "capital city area" means the area described in sec. 520  
9 of this chapter;

10 (2) "capital city" means the municipality incorporated by  
11 this chapter;

12 (3) "development corporation" means the Alaska Capital City  
13 Development Corporation;

14 (4) "general development plan" has the same meaning as pro-  
15 vided in AS ~~18.56.025~~ and includes amendments to the general development  
16 plan;

17 (5) "specific development plan" has the same meaning as pro-  
18 vided in AS ~~44.53.270~~ and includes amendments to each specific develop-  
19 ment plan.

20 Sec. 29.18.660. SHORT TITLE. Sections 500 - ~~660~~ of this chapter  
21 may be cited as the Capital City Incorporation Act.

22 \* Sec. 3. AS 18.56 is amended by adding a new section to read:

23 Sec. 18.56.094. NEW CAPITAL CITY MORTGAGE LOANS. In addition to  
24 other powers granted in this chapter, the corporation may, without  
25 regard to income limitation, make or participate in the making of mort-  
26 gage loans to purchasers of residential housing in the new capital city  
27 (AS 29.18.510 - 29.18.660) who are required to relocate with their jobs  
28 to the new capital city.

29 \* Sec. 4. AS 44.53.270 is amended by adding a new subsection to read:

(i) All references to the "reserve fund" in this section include special accounts within the reserve fund which may be created by the authority to secure the payment of particular bonds, including, without limitation, bonds issued by the capital city established under AS 29.-18.510. The commissioner of revenue may lend surplus money in the general fund to the authority for deposit to any account in the reserve fund in an amount equal to the required debt service reserve. The loans shall be made on such terms and conditions as may be agreed upon by the commissioner of revenue and the authority, including, without limitation, terms and conditions providing that the loans need not be repaid until the obligations of the corporation secured and to be secured by the account in the reserve fund are no longer outstanding.

\* Sec. 5. The commissioner of revenue may loan an amount not to exceed \$14,800,000 from surplus money in the general fund to the Alaska State Housing Authority (AS 18.55.010 - 18.55.290) for the purpose of providing housing for persons of lower income in the capital city area. The amounts loaned shall be used by the authority for that purpose in accordance with the provisions of AS 18.55.300 - 18.55.370. The loan or loans by the commissioner of revenue to the authority shall be made at the rate or rates of interest and upon the terms and conditions as the commissioner of revenue and the authority may agree upon.

~~Sec. 4. The plan of the New Capital Site Planning Commission under AS 44.09.230(j) referred to in sec. 44.63.130 of sec. 1 of this Act is modified by providing that of those central state positions in existence in 1977, 1,795 will move to the new capital. The number of positions to be located in Juneau and the number to be located in the new capital are as follows:~~

	Juneau	new capital
Government Office	39	125
	80	209

1	<del>Department of Revenue</del>	3	96
2	Department of Revenue	89	79
3	Department of Education	201	2
4	Department of Health and Social Services	39	262
5	Department of Labor	287	91
6	Department of Commerce and Economic		
7	Development	9	121
8	Department of Natural Resources	0	16
9	Department of Fish and Game	13	86
10	Department of Public Safety	0	97
11	Department of Environmental Conservation	2	77
12	Department of Community and Regional		
13	Affairs	43	28
14	Department of Transportation and Public		
15	Facilities	82	278
16	Legislature	0	291
17	Court System	9	0

18 The plan is further modified by providing that: (1) the move will be completed  
19 in 1987; (2) the population figure for planning purposes at that time is  
20 assumed to be 21,170; (3) for planning purposes, it is assumed that the rate  
21 of growth in central state positions will remain constant and that the rate  
22 of growth will be reflected in Juneau and Anchorage as well as in the new  
23 capital. Modifications to the plan are based upon the House State Affairs

24 ~~Committee Report submitted May 15, 1978.~~

25 \* Sec. 7. This Act takes effect ~~immediately in accordance with AS 01.11.~~

26 *Sec 5, 1978*  
27 *1978*

28  
29

A M E N D M E N T S

OFFERED IN THE HOUSE

BY RUDD

TO: CSHB 857 (Finance)

1. Page 9, line 5, following the word "The" delete "Matanuska-Susitna Borough" and insert "corporation"

Page 10, between lines 1 and 2, insert

(4) a statement of the projected means of financing of the facilities referred to in (2) of this subsection, the anticipated sources of funds necessary, the times at which the funds shall be provided and the means by which borrowed money shall be repaid;

Page 10, between lines 11 and 12, insert

(c) The corporation shall hold at least one hearing in each judicial district of the state to receive comments from interested parties on the general development plan proposed by the corporation. Each hearing shall be held in a community of the state selected in the discretion of the board after public notice by publication in a newspaper of general circulation in the municipality at least 30 days before the commencement of the hearing.

(d) Following the completion of public hearings, the board of directors shall adopt the general development plan, which may be approved with or without amendment from the proposed general development plan, by at least two-thirds vote of the full membership of the board and upon a finding that the general development plan is in accordance with and furthers the purposes of this chapter. The general development plan becomes effective only upon <sup>concurrence</sup> ~~approval~~ by the assembly of the Matanuska-Susitna borough ~~by ordinance~~. The assembly may amend, modify or reject the plan.

(e) Amendments to the general development plan may be made by the borough assembly of the Matanuska-Susitna borough by ordinance.

2. Page 11, line 25, following the word "municipalities" delete "may" and insert "shall"
3. Page 12, line 17, following "(c)" delete "In addition to the agreement authorized by AS 29.18.640,"
4. Page 18, line 9, following the word "been" delete "completed" and insert "substantially implemented"

Original sponsor: Rules Committee by  
request of the Governor (by request of  
the New Capital Site Planning Commission)

Offered: 5/15/78  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 857

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to planning for and development of the  
7 new Alaska capital, including incorporation of a new  
8 capital city; and providing for an effective date."

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

10 \* Section 1. AS 44 is amended by adding a new chapter to read:

11 CHAPTER 63. ALASKA CAPITAL CITY DEVELOPMENT CORPORATION.

12 ARTICLE 1. FINDINGS.

13 Sec. 44.63.010. FINDINGS. (a) The legislature finds that it is  
14 in the best interests of the state to create a public corporation with  
15 the powers set out in this chapter to assure that

16 (1) the necessary governmental facilities at the new capital  
17 city area are constructed in a manner and in time to assure the effi-  
18 cient and orderly operation of state government;

19 (2) the necessary housing for the residents of the new capi-  
20 tal city area is available on a basis consistent with the schedule for  
21 transfer of the departments of government;

22 (3) the necessary public facilities are provided in time to  
23 accommodate the new residents of the capital city area and all citizens  
24 having business with state government, and in a manner to accommodate  
25 future growth of the area;

26 (4) due consideration is given to the social, economic and  
27 environmental aspects of the new capital city which affect the  
28 Matanuska-Susitna Borough and to the social, economic and environmental  
29 conditions to prevail within the capital city area;

1 (5) the planning, design and construction of the governmental  
2 and public facilities, and residential housing proceed on a coordinated  
3 and expedited basis so that the departments of government can provide  
4 essential governmental functions for the health, safety and welfare of  
5 the citizens of the state at the capital city without interruption.

6 (b) It is further found to be in the best interests of the state  
7 to

8 (1) expand the purposes of the Alaska Housing Finance Cor-  
9 poration (AS 18.56) to make residents of the capital city area required  
10 to relocate with their jobs eligible for lower interest rate residential  
11 mortgage financing by the Alaska Housing Finance Corporation;

12 (2) provide funding through the Alaska State Housing Autho-  
13 rity (AS 18.55.010 - 18.55.290) for an adequate supply of housing for  
14 lower income residents of the capital city area;

15 (3) provide a means for funding the administrative and capi-  
16 tal costs associated with development of the new capital through loans  
17 from the general fund;

18 (4) assist the new capital city to issue bonds to pay the  
19 capital costs of the utilities and facilities to be transferred to it  
20 and other capital costs incurred by it by authorizing the creation of a  
21 special reserve account of the Alaska Municipal Bond Bank Authority (AS  
22 44.58) to secure bonds of the capital city.

23 ARTICLE 2. ESTABLISHMENT OF CORPORATION; POWERS.

24 Sec. 44.63.020. ALASKA CAPITAL CITY DEVELOPMENT CORPORATION.

25 There is created the Alaska Capital City Development Corporation. The  
26 corporation is a public corporation and governmental instrumentality of  
27 the state within the Department of Commerce and Economic Development,  
28 but has a legal existence independent of and separate from the state.  
29 The exercise by the corporation of the powers conferred by this chapter

1 is considered an essential governmental function of the state.

2 Sec. 44.63.030. BOARD OF DIRECTORS. (a) The corporation is  
3 governed by a board of directors which consists of 11 members: the  
4 commissioner of commerce and economic development, the mayor of the  
5 new capital city and the mayor of the Matanuska-Susitna Borough, who  
6 serve as directors ex officio with voting privileges, and eight di-  
7 rectors appointed by the governor. The governor shall appoint one  
8 director to serve until the mayor of the new capital city is elected in  
9 accordance with AS 29.18.570. No more than three of the appointed  
10 directors may be full-time elected or appointed employees or officials  
11 of the state or of any municipality. No state legislator may be  
12 appointed or serve.

13 (b) The governor shall appoint directors with due regard to their  
14 expertise and experience in areas relevant to public and private plan-  
15 ning, development, finance, marketing, the general public interest and  
16 state and municipal government. The appointed directors shall be resi-  
17 dents and qualified voters of the state. The appointed directors serve  
18 at the pleasure of the governor.

19 (c) The governor may further designate three commissioners of  
20 principal departments of state government to participate in meetings of  
21 the board. The three commissioners so designated have no vote.

22 (d) The governor shall designate one of the appointed members  
23 as chairman of the board of directors. The board shall elect a vice-  
24 chairman from among its membership. The chairman shall call the  
25 initial meeting of the board of directors within 30 days after taking  
26 office.

27 (e) Until appointment by the governor of the full board of direc-  
28 tors and the holding of the initial meeting, the New Capital Site Plan-  
29 ning Commission (AS 44.06.200 - 44.06.260) shall govern the corporation

1 as the board of directors. However, the legislative members of the  
2 commission serve solely in an advisory capacity. The members of the  
3 commission acting as the board of directors of the corporation shall  
4 have the voting rights fixed in AS 44.06.210 for commission members.

5 Sec. 44.63.040. TERM OF OFFICE. Appointed directors serve for  
6 terms of four years. Terms shall be staggered. Initial terms shall be  
7 two members serving for one year, two members serving for two years, two  
8 members serving for three years, two members serving for four years, and  
9 one member serving for five years. An appointee to fill a vacancy shall  
10 hold office for the balance of the term for which his predecessor on the  
11 board was appointed.

12 Sec. 44.63.050. QUORUM. (a) A majority of the directors of the  
13 corporation constitutes a quorum for the transaction of business and the  
14 exercise of the powers and duties of the board unless otherwise required  
15 by this chapter.

16 (b) A vacancy on the board does not impair the authority of a  
17 quorum of the board to exercise all the powers and perform all the  
18 duties of the board.

19 Sec. 44.63.060. COMPENSATION OF DIRECTORS. Appointed directors  
20 receive \$200 for each meeting day if they attend the meeting and are  
21 entitled to per diem and travel allowances as provided by law for mem-  
22 bers of state boards and commissions.

23 Sec. 44.63.070. EMPLOYMENT OF PERSONNEL. (a) The board shall  
24 appoint and determine the salary of a person to serve at the pleasure of  
25 the board as executive director. The executive director is the chief  
26 executive officer of the corporation. The executive director may not be  
27 a member of the board of directors of the corporation.

28 (b) The board of directors may appoint and determine the salary of  
29 other officers specified in the bylaws of the corporation, with the

1 powers and duties as set out in the bylaws.

2 (c) The executive director, with the approval of the board, may  
3 employ additional staff, and may retain others considered necessary or  
4 appropriate to carry out the purposes of the corporation.

5 (d) Officers and employees of the corporation are in the exempt  
6 service under AS 39.25.

7 (e) Consultants and contractors shall be hired in accordance with  
8 the provisions of AS 36.10.010, unless, in the judgment of the board, it  
9 would impede the scheduled implementation of the general development  
10 plan or any specific development plan.

11 Sec. 44.63.080. OTHER EMPLOYMENT OF DIRECTORS PERMITTED. A direc-  
12 tor may hold any position of public or private employment while serving  
13 on the board of directors.

14 Sec. 44.63.090. MEETINGS. (a) Meetings of the board of directors  
15 are governed by the provisions of AS 44.62.310 and 44.62.312; in all  
16 other respects the Administrative Procedure Act (AS 44.62) does not  
17 apply to this chapter, except as provided in sec. 100(e) of this chap-  
18 ter.

19 (b) The board shall establish procedures providing for newspaper  
20 publication and other notice of all meetings sufficient to adequately  
21 inform the public of the subject matter proposed to be acted on and  
22 shall establish procedures providing for public participation at its  
23 meetings.

24 Sec. 44.63.100. REGULATIONS. (a) The board may adopt, amend and  
25 repeal regulations by resolution as provided in this section.

26 (b) Except as provided in (c) of this section, at least 15 days  
27 before taking any action on a regulation, the board shall give public  
28 notice of the proposed action by publishing the notice in at least three  
29 newspapers of general circulation in Anchorage, Fairbanks and Juneau,

1 and by mailing a copy of the notice to every person who has filed a  
2 request for notice of proposed regulations with the corporation. The  
3 public notice shall include a statement of the time, place and nature of  
4 the proceedings and shall include an informative summary of the proposed  
5 subject of the regulations. At the time and place designated in the  
6 notice, the board shall give each interested person or his authorized  
7 representative, or both, a reasonable opportunity to present oral testi-  
8 mony. The board shall consider all relevant matter presented to it  
9 before taking any action on a regulation. The board may continue or  
10 postpone the hearing to the time and place which it determines. A  
11 regulation which is adopted, amended or repealed may vary in content  
12 from the informative summary specified in this subsection if the subject  
13 matter of the regulation remains the same and the original notice is  
14 sufficient to assure that members of the public are reasonably notified  
15 of the proposed subject of the board's action in order for them to  
16 determine whether their interests could be affected by the board's  
17 action on that subject.

18 (c) A regulation may be adopted, amended or repealed on an emer-  
19 gency basis if the board makes a finding in its resolution that the  
20 adoption, amendment or repeal of the regulation is necessary for the  
21 immediate preservation of the orderly operation of the corporation's  
22 programs. The resolution shall contain a statement of the facts consti-  
23 tuting the emergency. Within 10 days after emergency action taken on a  
24 regulation, the board shall give notice of the action in the manner  
25 provided in (b) of this section for notice of proposed actions. No  
26 adoption, amendment or repeal of a regulation under this subsection  
27 shall remain in effect more than 120 days.

28 (d) The board shall make available to members of the public copies  
29 of the corporation's regulations and shall file copies of the regula-

1 tions in the office of the lieutenant governor within 10 days following  
2 any action taken on the regulations.

3 (e) The adoption, amendment or repeal of regulations by the board  
4 is subject to review in accordance with AS 24.20.400 - 24.20.460 and AS  
5 44.62.320.

6 Sec. 44.63.110. DEVELOPMENT ADVISORY BOARD. (a) As soon as  
7 practicable following the holding of the initial meeting of the board of  
8 directors, the corporation shall establish a Development Advisory Board  
9 to consider and advise the corporation upon matters concerning the  
10 planning and development of, and provisions of services and facilities  
11 in, the capital city area.

12 (b) The advisory board shall meet regularly at least four times a  
13 year, and shall also meet with the board of directors of the corporation  
14 at least once each year.

15 (c) In appointing the members of the advisory board, the board of  
16 directors shall consider representation of the interests of municipal-  
17 ities of the state, other public and private interests, state agencies,  
18 and public or private organizations, groups or entities which the board  
19 of directors considers to be significantly affected by the relocation of  
20 the capital of the state.

21 (d) The members of the advisory board serve at the pleasure of the  
22 board of directors without compensation, but are entitled to per diem  
23 and travel allowances as provided by law for members of state boards and  
24 commissions.

25 (e) A member may hold any position of public or private employment  
26 while serving on the advisory board.

27 Sec. 44.63.120. POWERS OF THE CORPORATION. In addition to other  
28 powers granted by law and for the purpose of providing for the develop-  
29 ment of the new capital city area, the corporation may

1 (1) sue and be sued;

2 (2) adopt and alter an official seal;

3 (3) adopt, amend or repeal bylaws and, subject to agreements  
4 with noteholders or bondholders, procedures for the development of its  
5 programs, operations, properties and facilities;

6 (4) enter into contracts and other instruments necessary or  
7 convenient for the exercise of its powers under this chapter;

8 (5) enter into lease and agreements with the state with  
9 respect to state buildings or other property and pledge or assign all  
10 rights under the leases and agreements to secure the payment of bonds,  
11 notes or other obligations issued to finance the cost of the state  
12 buildings or property, but only if and to the extent an officer of the  
13 state is authorized by law to enter into a specific lease of, or other  
14 agreement with respect to, state buildings or other property of the  
15 state with the corporation and only if the state buildings or other  
16 property have not been financed with the proceeds of general obligation  
17 bonds of the state;

18 (6) acquire, hold, use, lease, mortgage, sell or otherwise  
19 encumber or dispose of property of any kind, real, personal or mixed, or  
20 any interest in it;

21 (7) establish terms and conditions for the acquisition or  
22 disposal of its property, including, without limitation, terms and  
23 conditions designed to provide incentives for development of its proper-  
24 ty, and, in that connection, loan money to any public agency or private  
25 firm on any terms the corporation considers advisable for its corporate  
26 purposes;

27 (8) prepare or contract for the preparation of studies,  
28 analyses, specifications, designs and estimates of cost for the con-  
29 struction, development, reconstruction or improvement of any property

1 within the capital city area;

2 (9) manage or contract for the management of all or any part  
3 of a development program or programs on the terms the corporation con-  
4 siders appropriate;

5 (10) open streets and other public rights-of-way and provide  
6 for facilities or services in connection with any development program;

7 (11) adopt or impose land use and building restrictions,  
8 architectural, design, and land use controls through covenants, decla-  
9 rations, or otherwise in furtherance of the purpose of this chapter on  
10 any real property owned by the corporation; include the restrictions or  
11 controls in contracts, conveyances and agreements; and cause the re-  
12 strictions and controls, covenants or declarations to run with the land  
13 and bind all future owners of the land by filing them for record in the  
14 appropriate recording district;

15 (12) charge and collect fees and charges for the use of facil-  
16 ities or services, and cause the fees and charges to become a lien on  
17 and run with the land and bind all future owners of the land by means of  
18 covenants affecting the property which are recorded in the appropriate  
19 recording district; the covenants may also provide that taxes imposed by  
20 a municipality can be credited against the fees and charges to the  
21 extent and upon any terms that are set out in the covenants;

22 (13) plan, finance, develop, acquire, construct, reconstruct,  
23 improve, operate, maintain, sell or otherwise dispose of structures,  
24 appurtenances, systems and facilities under contractual or other ar-  
25 rangements in connection with the general development plan, any specific  
26 development plan, or with the purposes of this chapter;

27 (14) survey the real property within the capital city area;  
28 undertake geological, environmental and other similar studies and anal-  
29 yses of the property; and gather and disseminate all relevant informa-

1 and which is exempt from taxation under this chapter; and

2 (22) do any and all things necessary or convenient to carry  
3 out the purposes of this chapter and exercise the powers granted in this  
4 chapter.

5 ARTICLE 3. CAPITAL CITY DEVELOPMENT PLANS,  
6 PROPERTY, MUNICIPAL AGREEMENTS AND CONTRACTS.

7 Sec. 44.63.130. FORMULATION AND PROCEDURE FOR OBTAINING APPROVAL OF  
8 DEVELOPMENT PLANS. (a) The corporation shall prepare a general develop-  
9 ment plan for the capital city area. The general development plan shall  
10 be based on the initial and proposed overall site specific development  
11 plan submitted to the legislature by the New Capital Site Planning Com-  
12 mission under AS 44.06.230(j) and as modified by sec. 6 of this Act, and,  
13 in addition, shall include but not be limited to the following elements:

14 (1) a statement of the proposed uses of land throughout the  
15 capital city area as a whole with a general allocation of projected  
16 amounts and proportions of land to be devoted to governmental, residen-  
17 tial, commercial, industrial, institutional and public uses, indicating  
18 the anticipated population and building densities for the capital city  
19 area based upon the proposed mix of such land uses;

20 (2) a statement of the projected cost, number, nature and  
21 generalized locations of facilities, including but not limited to,  
22 governmental and institutional facilities relating to the functioning of  
23 the capital city area as the new capital of the state, public transpor-  
24 tation and major arterial street systems, parks and recreational facil-  
25 ities, water, sewer and drainage systems, electric, telephone and other  
26 energy or communications systems or utilities, and health, educational  
27 and community facilities, and a statement of the method and approximate  
28 time period by which the facilities described in this paragraph are to  
29 be provided;

1 (3) a statement of the approximate projected time schedule  
2 for the stages of development of the capital city area, both as to  
3 various parts of the capital city area and as to the various types or  
4 categories of land uses proposed;

5 (4) a statement of the projected means of financing the  
6 facilities referred to in (2) of this subsection, the anticipated  
7 sources of funds necessary, the times at which the funds shall be pro-  
8 vided and the means by which borrowed money shall be repaid;

9 (5) additional statements or documentation as the corporation  
10 considers necessary or appropriate.

11 (b) The general development plan shall include a determination of  
12 the minimum acreage of land to be allocated for the location and con-  
13 struction of state offices and related state facilities; and the minimum  
14 acreage of land to be set aside and allocated for parks, lakes, recrea-  
15 tion and open space use, with facilities necessary for their use and  
16 enjoyment, which, when developed, shall be accessible to the general  
17 public for its use and enjoyment. The provisions of the general deve-  
18 lopment plan described in this subsection may not be amended.

19 (c) The corporation shall hold at least one hearing in each judi-  
20 cial district of the state to receive comments from interested parties  
21 on the general development plan proposed by the corporation. Each  
22 hearing shall be held in a community of the state selected in the dis-  
23 cretion of the board after public notice by publication in a newspaper  
24 of general circulation in the municipality at least 30 days before the  
25 commencement of the hearing.

26 (d) Following the completion of public hearings, the board of  
27 directors shall adopt the general development plan, which may be ap-  
28 proved with or without amendment from the proposed general development  
29 plan, by at least two-thirds vote of the full membership of the board

1 and upon a finding that the general development plan is in accordance  
2 with and furthers the purposes of this chapter. The general development  
3 plan as so adopted is an exercise by the state of its sovereignty over  
4 and right to develop its land and is the controlling document and land  
5 use plan setting out the major planning assumptions and objectives for  
6 the development of the capital city area and shall be effective on the  
7 date the board determines.

8 (e) Amendments to the general development plan may be made under  
9 the same procedure set out in this section for approval of a general  
10 development plan, except that the corporation shall hold at least one  
11 public hearing with respect to the amendment and invite written comments  
12 on it, before adoption of an amendment. Amendments to the general  
13 development plan shall be effective on the date the board determines.

14 (f) The general development plan and any amendments shall be  
15 recorded in the appropriate recording district.

16 Sec. 44.63.140. ADOPTION OF SPECIFIC DEVELOPMENT PLANS. (a)  
17 Following adoption of the general development plan, the board shall  
18 prepare one or more specific development plans which shall include, but  
19 not be limited to, the following elements:

- 20 (1) a description of the area to be developed;
- 21 (2) a detailed and specific statement of the proposed uses  
22 within the area to be developed, including proposed general locations of  
23 all buildings and structures;
- 24 (3) a general description of the land use restrictions or  
25 covenants to be placed on the area to be developed;
- 26 (4) a map of the existing and proposed transportation and  
27 utility systems within the area;
- 28 (5) a statement of the methods by which the property within  
29 the area may be disposed of;

1 (6) a statement of the relationship between the specific  
2 development plan and the general development plan; and

3 (7) additional statements or documentation as the board  
4 considers necessary or appropriate.

5 (b) Each specific development plan shall be approved or amended by  
6 the board of directors and shall constitute the controlling document and  
7 land use plan for the area to be developed. In acting upon a proposed  
8 specific development plan, the board of directors shall be guided by the  
9 purposes of this chapter and particularly

10 (1) the degree to which the specific development plan is in  
11 substantial conformity with the general development plan; if the board  
12 of directors determines that the specific development plan under consi-  
13 deration constitutes a substantial change from the general development  
14 plan, the board shall consider the changed circumstances or other fac-  
15 tors which warrant a change from the general development plan as pre-  
16 viously approved; any specific development plan constituting a sub-  
17 stantial change shall be subject to the same provisions that are appli-  
18 cable to amendments to the general development plan under sec. 130(d) of  
19 this chapter; approval of a specific development plan, is an amendment  
20 to the relevant portion of the general development plan;

21 (2) the location and adequacy of all streets and highways,  
22 transportation facilities, public utilities, community and recreational  
23 facilities, and all public services necessary to serve the land uses  
24 contemplated by the specific development plan;

25 (3) the effect of all proposed land uses within the specific  
26 development plan upon adjacent land uses, whether existing or proposed,  
27 located within or adjacent to the capital city area.

28 Sec. 44.63.150. RELATIONSHIP OF CORPORATION, THE STATE AND MUNI-  
29 CIPALITIES. (a) In carrying out the purposes of this chapter, the

1 corporation shall work closely with, consult and cooperate with the  
2 state, the Matanuska-Susitna Borough, and the capital city, and their  
3 departments, agencies or instrumentalities.

4 (b) All state agencies and all municipalities shall fully co-  
5 operate with the corporation and may extend to the corporation, with or  
6 without consideration, any function, or other assistance which they are  
7 empowered to render or perform and enter into agreements with the cor-  
8 poration. Upon the corporation's request, any governmental entity may  
9 transfer to the corporation any officers and employees the corporation  
10 considers necessary to assist the corporation in carrying out its func-  
11 tions and duties under this chapter. Officers and employees so trans-  
12 ferred retain their status and rights as public employees and are com-  
13 pensated by their employing agency which shall continue to exercise all  
14 of its rights as employer.

15 (c) In addition to the agreement authorized by AS 29.18.640, the  
16 corporation may enter into agreements with the capital city providing  
17 that the city furnish, as necessary, for the capital city area included  
18 in any development program which has not yet been completed, municipal  
19 services as fixed in the agreements. The agreements may provide for  
20 payment by the corporation to the city of the costs of these services on  
21 a formula or other basis as may be fixed in the agreements.

22 (d) In implementing the development program, the corporation may  
23 enter into contractual agreements with any public agency for the fur-  
24 nishing of any facilities or services necessary or desirable for the  
25 development program, and the public agency, notwithstanding any other  
26 law, may enter into these contractual agreements with the corporation  
27 and do all things necessary to carry out its obligations under them.

28 (e) The corporation, on behalf of itself or in its own name on  
29 behalf of any person performing work in connection with the general

1 development plan or a specific development plan, may file a master  
2 application as provided in AS 46.35.030 in order to obtain required  
3 permits. Upon filing an acceptable master application the corporation  
4 shall submit a schedule setting out the date before which each permit  
5 required must be issued in order to allow work to proceed in accordance  
6 with the plan. Each permit shall be either granted or denied no later  
7 than 60 days from the date submitted with the master application. If  
8 the permit is neither granted nor denied, it shall be considered to have  
9 been granted and may be revoked only with the prior approval of the  
10 governor. If a permit is denied, the corporation may appeal the denial  
11 directly to the governor who shall receive written submissions from the  
12 affected agency and the corporation on an expedited basis and render a  
13 decision either reversing the decision of the agency and granting the  
14 permit or upholding the decision of the agency. No permit may be denied  
15 on the ground that the affected agency has not had a sufficient oppor-  
16 tunity to make tests, studies, evaluations or other investigations. The  
17 corporation and the Department of Environmental Conservation shall  
18 cooperate in expediting the review process to the greatest possible  
19 extent by consolidating hearings and otherwise avoiding a multiplicity  
20 of written or oral submissions. No agency may demand as a condition of  
21 commencing its investigations that the corporation bear the agency's  
22 costs and expenses in connection with the investigation. The corpora-  
23 tion may amend the master application at any time and may seek addi-  
24 tional permits. The corporation shall use its best efforts to fully  
25 cooperate with all affected agencies and shall give all such agencies  
26 complete access to the corporation's relevant documents and records. To  
27 the extent that there is an inconsistency or conflict between the pro-  
28 visions of this subsection and the Environmental Procedures Coordination  
29 Act (AS 46.35) or with any other statute regarding the issuance of

1 permits, the provisions of this subsection shall control.

2 (f) The specific development plan and any amendments shall be  
3 recorded in the appropriate recording district.

4 Sec. 44.63.160. ACQUISITION OF REAL PROPERTY. Upon making a  
5 finding that it is necessary or convenient to acquire any real property,  
6 or an interest in it, located in the capital city area, or any real  
7 property located outside the capital city area, for the purpose of  
8 providing water, sewer, road, airport or other utility or facility for  
9 the capital city area, for its immediate or future use, the corporation  
10 may acquire the property in any lawful manner, including the exercise of  
11 the power of eminent domain under the provisions of AS 09.55.240 -  
12 09.55.460. The corporation may, in its discretion, file a declaration  
13 of taking and have title and right vest in it as provided in AS 09.55.-  
14 440 and as otherwise provided by law.

15 Sec. 44.63.170. STATE LOANS. The commissioner of revenue may loan  
16 to the corporation from surplus money in the general fund a sum not to  
17 exceed \$153,000,000. Before any disbursement of the proceeds of the  
18 loan, the commissioner of revenue, with the approval of the governor,  
19 shall enter into a loan agreement with the corporation providing for the  
20 terms of repayment of the loan over the period of years and at the rate  
21 or rates of interest as may be fixed in the loan agreement. The loan  
22 agreement may also provide for subordination of the terms of repayment  
23 of the loan to notes or bonds of the corporation to be issued at a later  
24 date or dates, and shall provide for (1) a periodic disbursement sche-  
25 dule of the loan proceeds consistent with the progress of the general  
26 development plan of the corporation during each fiscal year of the state  
27 and consistent with the projected financial ability of the state to  
28 disburse loan proceeds in each fiscal year, and (2) an annual or other  
29 periodic review procedure by a committee consisting of the commissioner

1 of revenue and four commissioners of principal departments of state  
2 government appointed by the governor to determine (A) whether the finan-  
3 cial and economic projections contained in the general development plan  
4 and specific development plans are being fulfilled, and (B) whether the  
5 financial condition of the state will accommodate each annual loan  
6 disbursement. The Legislative Budget and Audit Committee shall make the  
7 same review provided for in the agreement and report its findings to the  
8 committee. The loan agreement shall provide that the recommendations of  
9 the committee, based on the determinations made by the committee, shall  
10 govern the amount of each loan disbursement.

11 Sec. 44.63.180. DISPOSITION OF PROPERTY. (a) The corporation  
12 shall adopt regulations for the sale, lease or other disposal of pro-  
13 perty under this chapter. After adoption of regulations and of one or  
14 more specific development plans, the corporation may sell, lease or  
15 otherwise dispose of, all or any portion of the property encompassed by  
16 the plans to any person, either public or private, upon the terms and  
17 conditions it determines but only if the board of directors specifically  
18 finds that the terms and conditions of the sale, lease or other disposal  
19 arrangement are in substantial conformity with the plans. Before the  
20 sale, lease or other disposal of any property by the corporation, public  
21 notice of the intention of the corporation to do so shall be given by  
22 publication of a general description of the terms at least 10 days  
23 before the sale, lease or disposal in a newspaper of general circulation  
24 in the Third Judicial District.

25 (b) Notwithstanding any other law and subject to any agreement  
26 with noteholders or bondholders, any sale, lease or other disposal of  
27 property may be made without public bidding or public sale, under a  
28 negotiated contract, agreement or lease and containing any terms the  
29 corporation determines to be necessary or desirable for the implementa-

1 tion of a specific development plan if public notice is given in accor-  
2 dance with (a) of this section.

3 (c) The real property in the capital city area is not subject to  
4 the provisions of the Alaska Land Act (AS 38.05).

5 Sec. 44.63.190. TRANSFER OF STATE-OWNED REAL PROPERTY. The com-  
6 missioner of natural resources and any other state official having  
7 jurisdiction over the conveyance or transfer of state-owned land shall,  
8 within 60 days after the written request of the chairman of the cor-  
9 poration, convey to the corporation all of the state land, including  
10 land under water, lying within the capital city area. The transfer and  
11 conveyance shall contain reservations required by federal law and the  
12 Alaska constitution.

13 Sec. 44.63.200. CONSTRUCTION CONTRACTS. (a) The corporation  
14 shall adopt regulations under this chapter establishing procedures for  
15 entering into contracts for construction of facilities and improvements  
16 on all or any part of any development program in accordance with the  
17 procedures established in AS 35.15. The corporation's interest in any  
18 real property is not subject to any claims under AS 34.35 (liens). No  
19 construction contract may be entered into requiring the expenditure of  
20 borrowed funds unless the funds or a commitment letter are in the hands  
21 of the corporation.

22 (b) Notwithstanding the provisions of (a) of this section or any  
23 other law, and subject to any agreement with noteholders or bondholders,  
24 the corporation may adopt regulations providing that it may, when it  
25 finds that the bid process of (a) of this section would unreasonably  
26 impede implementation of a development program or would otherwise be  
27 detrimental to the financial objectives underlying the development  
28 program, enter into a construction contract for all or any part of a  
29 development program without public bidding. The negotiated contract may

1 contain any terms the corporation considers necessary or desirable for  
2 the implementation of the development program. No contract under this  
3 subsection except contracts for personal services or contracts involving  
4 the expenditure of less than \$20,000 may be entered into unless the  
5 corporation has given public notice of its intention to enter into the  
6 contract at a meeting at which the proposed contract is available for  
7 inspection and an opportunity for members of the public to be heard is  
8 afforded. The corporation shall include in the report required by sec.  
9 370 of this chapter a statement of the circumstances justifying a con-  
10 tract entered into under the authority of this subsection.

11 Sec. 44.63.210. MONEY OF THE CORPORATION. (a) The legislative  
12 auditor may examine all the accounts and books of the corporation and  
13 all other records and papers relating to its financial standing. The  
14 Legislative Budget and Audit Committee shall conduct an examination at  
15 least once every two years or may accept an independent audit of the  
16 corporation by a firm of certified public accountants made at the re-  
17 quest of the corporation in satisfaction of the examination requirement.

18 (b) Any money of the corporation, including the proceeds of bonds  
19 or notes not required for immediate use, may be invested in the same  
20 manner and on the same conditions as permitted for the investment of  
21 funds of the state or held in the treasury under AS 37.10.070. The  
22 corporation may agree with bondholders or noteholders to further limit  
23 investments.

24 (c) The corporation may contract with holders of any of its bonds  
25 or notes as to the custody, collection, securing, investment and payment  
26 of any money of the corporation or of any money held for the payment of  
27 bonds or notes, and may carry out that contract. Money held for the  
28 payment of bonds or notes or in any way to secure bonds or notes and  
29 deposits of the money may be secured in the same manner as money of the

1 corporation, and all banks and trust companies may give security for  
2 these deposits.

3 Sec. 44.63.220. TAX EXEMPTION. The interest of the corporation in  
4 the real and personal property of the corporation and its assets, income  
5 and receipts are declared to be property of a political subdivision of  
6 the state and shall be exempt from all taxes and special assessments of  
7 the state or a political subdivision of the state. The interest of  
8 others in real or personal property of the corporation is taxable by the  
9 Matanuska-Susitna Borough and the capital city to the extent authorized  
10 by law. All bonds of the corporation are issued by a political sub-  
11 division of the state and for an essential public and governmental  
12 purpose, and the bonds, and the interest income on and from them, the  
13 transfer of the bonds, and all assets, income and receipts pledged to  
14 pay or secure the payment of the bonds, or interest on them, are exempt  
15 from taxation except for estate taxes.

16 ARTICLE 4. CAPITAL DEVELOPMENT FINANCE.

17 Sec. 44.63.230. BONDS AND NOTES OF THE CORPORATION. (a) The  
18 corporation may issue its bonds and notes in the principal amounts  
19 which, in the opinion of the corporation, are necessary to provide  
20 sufficient funds for carrying out any of its corporate purposes, in-  
21 cluding but not limited to, the undertaking and completion of develop-  
22 ment programs, the payment of interest on bonds and notes of the cor-  
23 poration, the receipt of funds in anticipation of the sale of bonds of  
24 the corporation, the refunding of bonds for the purpose of paying or  
25 retiring bonds previously issued by it, the establishment of reserves to  
26 secure such bonds or notes and all other expenditures of the corporation  
27 incident to and necessary or convenient to carry out its corporate  
28 purposes and powers. No bonds or notes may be issued by the corporation  
29 unless the state bond committee (AS 37.15.110) files its written consent

1 to the issuance of the bonds or notes. The limitation in this subsec-  
2 tion does not apply to the issuance of notes or other evidences of  
3 indebtedness issued by the corporation under sec. 170 of this chapter.

4 (b) Principal and interest on bonds and notes issued by the cor-  
5 poration may be payable

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

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

12 (3) from its income and receipts or other assets generally,  
13 or a designated part or parts of them.

14 (c) Bonds and notes shall be authorized by resolution of the board  
15 of directors, and be dated and shall mature as the resolution may pro-  
16 vide. Bonds and notes shall bear interest at the rate or rates, be in  
17 the denominations, be in the form, carry the registration privileges,  
18 have the rank and priority, be executed in the manner, be payable in the  
19 medium of payment, at the place or places, and be subject to the terms  
20 of redemption which the resolution or a subsequent resolution may pro-  
21 vide.

22 (d) Bonds or notes of the corporation may be sold at the price, at  
23 public or private sale, and in the manner as may be determined by the  
24 corporation. The corporation may pay all expenses, premiums and com-  
25 missions, and give any discounts which it considers necessary or advan-  
26 tageous in connection with the issuance and sale of its bonds and notes.

27 (e) Issuance by the corporation of one or more series of bonds or  
28 notes for one or more purposes does not prevent it from issuing other  
29 bonds or notes in connection with the same development program or any

1 other development program, but the proceedings in which subsequent bonds  
2 or notes are issued shall recognize and protect any prior pledge or  
3 mortgage made for any prior issue of bonds or notes unless in the pro-  
4 ceedings authorizing the prior issue the right is reserved to issue  
5 subsequent bonds or notes on a parity with or superior to the prior  
6 issue.

7 (f) The corporation may issue its bonds or notes for the purpose  
8 of refunding any bonds or notes of the corporation then outstanding,  
9 including the payment of any redemption premium and any interest accrued  
10 or to accrue to the earliest or subsequent date of redemption, purchase  
11 or maturity of the bonds or notes, and, if the corporation considers  
12 advisable, for the additional purpose of paying all or any part of the  
13 cost of undertaking, acquiring, constructing, reconstructing, or im-  
14 proving a development program, or the making of a mortgage loan on a  
15 development program. The corporation, in its discretion, may apply the  
16 proceeds of any bonds or notes issued for the purpose of refunding  
17 outstanding bonds or notes to the purchase or retirement at maturity or  
18 redemption of the outstanding bonds or notes either on their earliest or  
19 any subsequent redemption date, and, pending the application, may place  
20 the proceeds in escrow to be applied to the purchase or retirement at  
21 maturity or redemption at the date the corporation determines. Any  
22 escrowed proceeds, pending their use, may be invested and reinvested in  
23 obligations, securities and other investments as provided in the reso-  
24 lution or resolutions authorizing the refunding bonds or notes. The  
25 interest, income and profits, if any, realized on any such investment  
26 may also be applied to the payment of the outstanding bonds or notes to  
27 be refunded. After the terms of the escrow have been fully satisfied,  
28 any balance of the proceeds, and interest, income and profits, if any,  
29 earned or realized on the investments, may be returned to the corpora-

1 tion for its use. The bonds or notes shall be issued and secured and  
2 shall be subject to the provisions of this chapter in the same manner  
3 and to the same extent as any other bonds or notes issued under this  
4 chapter.

5 (g) The resolution authorizing the issuance of bonds or notes may  
6 contain provisions with respect to any of the matters referred to in  
7 this section, as well as any other matters which in any way affect the  
8 security or protection of the bonds or notes. The resolution may be  
9 made a part of the contract with the holders of the bonds or notes.

10 Sec. 44.63.240. SECURITY FOR BONDS OR NOTES. (a) The principal  
11 of and interest on any bonds or notes issued by the corporation may be  
12 secured by a pledge of any revenues and receipts of the corporation and  
13 may be secured by a mortgage or other instrument covering all or any  
14 part of any real or personal property or all or any part of a develop-  
15 ment program, including any additions, improvements, extensions to or  
16 enlargements of any development program.

17 (b) Bonds or notes issued for the acquisition, construction,  
18 reconstruction, or improvement of all or any part of a development  
19 program may also be secured by assignment of a lease of, or sales con-  
20 tract or mortgage on, all or any part of the development program and by  
21 an assignment of the revenues and receipts derived by the corporation  
22 from the lease, sales contract, or mortgage.

23 (c) The resolution under which the bonds or notes are authorized  
24 to be issued and any mortgage, lease, sales contract, or other instru-  
25 ment may contain agreements and provisions respecting the maintenance of  
26 the development program or programs, the fixing and collection of rents  
27 or other revenues, including money received in repayment of mortgage  
28 loans and interest, the creation and maintenance of special funds from  
29 rents or other revenues, and the rights and remedies available in the

1 event of default, as the corporation considers advisable.

2 (d) In connection with the issuance of bonds or notes, and in  
3 order to further secure the payment of obligations, the corporation, in  
4 addition to its other powers, may

5 (1) covenant against pledging all or a part of its rents,  
6 receipts and other revenues, or against mortgaging all or a part of its  
7 real or personal property, to which its right or title exists or may  
8 come into existence or against permitting or suffering any lien on the  
9 revenues or property or as to the use and disposition of the revenues;

10 (2) covenant with respect to limitations on its right to  
11 sell, lease or otherwise dispose of personal or real property, improved  
12 or unimproved, or any part of the property;

13 (3) covenant as to what other or additional debts or obliga-  
14 tions may be incurred by it;

15 (4) covenant as to the bonds or notes to be issued and as to  
16 the issuance of the bonds or notes in escrow or otherwise, and as to the  
17 use and disposition of the proceeds of bonds or notes;

18 (5) provide for the replacement of lost, destroyed or muti-  
19 lated bonds or notes;

20 (6) covenant against extending the time for the payment of  
21 its bonds or interest on the bonds or notes;

22 (7) prescribe the procedure by which the terms of a contract  
23 with bondholders or noteholders may be amended or abrogated, the amount  
24 of bonds or notes the holders of which must consent, and the manner in  
25 which the consent may be given;

26 (8) covenant as to the rights, liabilities, powers and duties  
27 arising upon the breach by it of a covenant, condition, or obligation;  
28 covenant and prescribe as to events of default and terms and conditions  
29 upon which any or all of its bonds or notes shall become or may be

1 declared due before maturity; and covenant as to the terms and condi-  
2 tions upon which this declaration and its consequences may be waived;

3 (9) vest in a trustee or trustees or the holders of bonds or  
4 notes or a specified proportion of them, the right to enforce the pay-  
5 ment of the bonds or notes or covenants securing or relating to the  
6 bonds or notes;

7 (10) vest in one or more trustees the right, in the event of  
8 a default by the corporation, to take possession of any real property or  
9 improvements constituting all or any part of a development program, and  
10 so long as the corporation continues in default to retain possession and  
11 to use, operate and manage the real property and improvements, to col-  
12 lect the rents and revenues, and to dispose of the money according to an  
13 agreement between the corporation and the trustees;

14 (11) provide for the powers and duties of the trustees, and  
15 limit the liability of the trustees;

16 (12) provide the terms and conditions upon which the trustee  
17 or trustees or the holders of bonds or notes, or portions of bonds or  
18 notes, may enforce a covenant or right securing or relating to the bonds  
19 or notes; and

20 (13) make covenants other than and in addition to the cove-  
21 nants expressly authorized in this subsection, of like or different  
22 character, and make covenants to do or refrain from doing acts and  
23 things as may be necessary, or convenient and desirable, in order to  
24 better secure bonds or notes or which, in the discretion of the corpor-  
25 ation, will tend to make bonds or notes more marketable, notwithstanding  
26 that the covenants, acts or things may not be enumerated in this sub-  
27 section.

28 (e) Each pledge, agreement, mortgage or other instrument made for  
29 the benefit or security of any of the bonds or notes of the corporation

1 shall continue to be effective until the principal of and interest on  
2 the bonds or notes are fully paid, or until provision is made for pay-  
3 ment in the manner provided in the resolution or resolutions under which  
4 the bonds or notes are authorized. The pledge of assets or revenues of  
5 the corporation to the payment of the principal or interest on any bonds  
6 or notes is valid and binding from the time the pledge is made, and the  
7 assets or revenues are immediately subject to the lien of the pledge  
8 without physical delivery or further act. The lien of any pledge is  
9 valid and binding against all parties having claims of any kind in tort,  
10 contract or otherwise against the corporation, irrespective of whether  
11 those parties have notice of the lien of the pledge.

12 (f) The corporation may provide in any proceedings under which  
13 bonds or notes may be authorized that all or any part of a development  
14 program may be constructed, reconstructed or improved by the corpora-  
15 tion, any lessee, or any purchaser from or any designee of the corpora-  
16 tion, and may also provide in the proceedings for the time and manner of  
17 and requisites for disbursements to be made for the cost of the con-  
18 struction, and for all such certificates and approvals of construction  
19 and disbursement as the corporation considers necessary and provides for  
20 in the proceedings.

21 (g) If the corporation considers it advisable, the corporation may  
22 retain, in the proceedings under which any of its bonds or notes are  
23 authorized to be issued, an option to redeem all or any part of the  
24 bonds or notes as specified in the proceedings, at the price or prices,  
25 after any notice or notices, and on the terms and conditions as are set  
26 out in the proceedings and as are stated on the face of the bonds or  
27 notes. Nothing in this subsection shall be construed to give the cor-  
28 poration any right or option to redeem any bonds or notes except as is  
29 provided in the proceedings under which they are issued.

1 reserve fund the required debt service reserve for all bonds then issued  
2 and outstanding and for the bonds to be issued unless the corporation,  
3 at the time of issuance of the bonds, deposits in the reserve fund from  
4 the proceeds of the bonds to be issued, or otherwise, an amount which  
5 together with the amount then in the reserve fund will be not less than  
6 the required debt service reserve.

7 (c) In order to further assure the maintenance of the required  
8 debt service reserve, there may be annually paid by the state to the  
9 corporation for deposit in each debt service reserve fund a sum certi-  
10 fied by the chairman of the board of directors to the governor as neces-  
11 sary to restore the reserve fund to the required debt service reserve.  
12 The chairman of the board of directors shall annually, on or before  
13 January 1, make and deliver to the governor and to the chairmen of the  
14 house and senate finance committees, his certificate stating the sum  
15 required to restore each debt service reserve fund to the required debt  
16 service reserve, and the sum may be appropriated by the legislature and  
17 paid to the corporation during the then current state fiscal year.  
18 Nothing in this subsection creates a debt or liability of the state.

19 (d) In computing any debt service reserve fund for the purposes of  
20 this section, securities in which all or a portion of the reserve fund  
21 are invested shall be valued at par, or if purchased at less than par,  
22 at their cost to the corporation.

23 (e) Whenever the corporation has established a debt service re-  
24 serve fund, the commissioner of revenue may lend surplus money in the  
25 general fund to the corporation for deposit in a debt service reserve  
26 fund in an amount equal to the required debt service reserve. The loans  
27 shall be made on such terms and conditions as may be agreed upon by the  
28 commissioner of revenue and the corporation, including without limita-  
29 tion, terms and conditions providing that the loans need not be repaid

1 until the obligations of the corporation secured and to be secured by  
2 the debt service reserve fund are no longer outstanding.

3 (f) The corporation may establish additional reserves or other  
4 funds or accounts as may be, in its discretion, necessary, desirable, or  
5 convenient to further the accomplishment of its purposes or to comply  
6 with the provisions of any of its agreements or resolutions.

7 Sec. 44.63.260. AGREEMENTS OF THE STATE WITH RESPECT TO BONDS.

8 The state pledges to and agrees with the holders of any bonds or notes  
9 issued under this chapter, that the state will not limit or alter the  
10 rights vested in the corporation to fulfill the terms of any agreements  
11 made with the holders of the bonds or notes, or in any way impair the  
12 rights and remedies of the holders until the bonds or notes, together  
13 with interest, with interest on any unpaid installments of interest, and  
14 all costs and expenses in connection with any action or proceeding by or  
15 on behalf of the holders, are fully met and discharged. The corporation  
16 may include this pledge and agreement of the state in any agreement with  
17 the holders of bonds or notes.

18 Sec. 44.63.270. CREDIT OF STATE NOT PLEDGED. The bonds or notes  
19 of the corporation do not constitute a debt, liability or obligation of  
20 the state or any political subdivision of the state, and each bond or  
21 note shall so state on its face. The obligations of the corporation are  
22 payable solely from the pledged funds and properties of the corporation,  
23 and the corporation may not pledge the faith and credit or the taxing  
24 power of the state or of any political subdivision of the state to the  
25 payment of any principal or interest on any obligation of the cor-  
26 poration. Bonds and notes of the corporation do not constitute a debt,  
27 indebtedness or the borrowing of money within the meaning of any limi-  
28 tation or restriction on the issuance of bonds contained in the consti-  
29 tution or laws of the state.

1           Sec. 44.63.280. BONDS AND NOTES AS LEGAL INVESTMENTS. The bonds  
2 and notes of the corporation are securities in which all public offi-  
3 cers, bodies, and municipalities of the state, all insurance companies  
4 and associations, and other persons carrying on an insurance business,  
5 all banks, trust companies, savings banks and savings associations,  
6 investment companies and other persons carrying on a banking business,  
7 all administrators, guardians, executors, trustees and other fiduci-  
8 aries, and all other persons who are authorized to invest in bonds or  
9 other obligations of the state may properly and legally invest funds  
10 including capital in their control or belonging to them.

11           ARTICLE 5. CAPITAL CITY DEVELOPMENT OVERSIGHT COMMITTEE.

12           Sec. 44.63.290. CAPITAL CITY DEVELOPMENT OVERSIGHT COMMITTEE  
13 ESTABLISHED. The Capital City Development Oversight Committee is estab-  
14 lished as a permanent interim committee of the legislature beginning  
15 with the Eleventh Legislature. The establishment of the committee  
16 recognizes the need of the legislature for review and oversight of the  
17 development of the new capital city.

18           Sec. 44.63.300. MEMBERSHIP. The committee is composed of eight  
19 members: the president of the senate, the speaker of the house, the  
20 chairmen of the finance committees, the chairmen of the state affairs  
21 committees, and one member appointed from each house by the respective  
22 presiding officer. The membership from each house shall include at  
23 least one member from each of the two major political parties. The  
24 committee shall select its own chairman.

25           Sec. 44.63.310. TERM OF MEMBERSHIP. (a) The committee shall be  
26 organized within 15 days after the organization of each legislature.  
27 Members serve for the duration of the legislature during which they are  
28 appointed. If a member is reelected or his term of office extends into  
29 the next succeeding legislature, he continues to serve until reappointed

1 or the appointment of his successor.

2 (b) When a member of the committee files a declaration of candi-  
3 dacy for an elective office other than that of member of either house of  
4 the legislature, and he has not resigned from membership on the com-  
5 mittee, his committee membership terminates on the date of filing.

6 Sec. 44.63.320. VACANCIES. When a vacancy occurs in the statutory  
7 or appointive membership of the committee, the presiding officer of the  
8 house incurring the vacancy shall choose a successor. If the office of  
9 the president of the senate or speaker of the house of representatives  
10 becomes vacant and a vacancy from the affected house occurs among the  
11 membership of the committee, the remaining committee members from the  
12 house incurring the vacancy shall appoint a new member.

13 Sec. 44.63.330. MEETINGS. The committee may meet during sessions  
14 of the legislature and during the interim between sessions at such times  
15 and places in the state as the chairman may determine. Members may  
16 receive, for the minimum time required to get to and from meetings and  
17 for the period while attending meetings, the same travel and per diem  
18 allowances provided by law for members of the legislature when attending  
19 sessions, except that members of the committee receive no per diem  
20 during legislative sessions other than the per diem allowance paid to  
21 other members of the legislature.

22 Sec. 44.63.340. POWERS. The committee has the power to

- 23 (1) organize and adopt rules for the conduct of its business;  
24 (2) hold public hearings;  
25 (3) require all state officials and agencies of state govern-  
26 ment to give full cooperation to the committee or its staff in assem-  
27 bling and furnishing requested information;  
28 (4) prepare and distribute reports, memoranda, or other  
29 materials;

1 (5) review all reports of the corporation and of the Legis-  
2 lative Budget and Audit Committee relating to the corporation;

3 (6) make recommendations for legislative action relating to  
4 the capital relocation and planning and development of the new capital  
5 city.

6 Sec. 44.63.350. STAFF. The legislative audit division and the  
7 legislative finance division shall provide audits, reports and analyses  
8 requested by the committee. The committee may hire and determine the  
9 salary of the staff it considers necessary within the limit of the  
10 budget approved by the legislature.

11 Sec. 44.63.360. DUTIES. The committee shall report to the legis-  
12 lature annually. The report shall include any considerations the com-  
13 mittee considers relevant to the planning and development of the new  
14 capital city and to the performance of the capital city development  
15 corporation.

16 ARTICLE 6. GENERAL PROVISIONS.

17 Sec. 44.63.370. EXECUTIVE BUDGET ACT. The corporation is not  
18 subject to the provisions of the Executive Budget Act (AS 37.07).

19 Sec. 44.63.380. ANNUAL BUDGET. The board of directors shall  
20 review and approve, by a two-thirds vote of members of the board, the  
21 annual operational and capital program and budget for the corporation  
22 and may, by two-thirds vote, amend the program and budget. No corporate  
23 funds may be expended or money borrowed except in accordance with an  
24 approved annual operational or capital program and budget.

25 Sec. 44.63.390. ANNUAL REPORT. The corporation shall submit to  
26 the governor, the Legislative Budget and Audit Committee, and the com-  
27 mittee established by sec. 170 of this chapter, within three months  
28 after the end of the corporation's fiscal year, a complete financial  
29 report audited by a certified public accountant or firm of certified

1 public accountants, which shows

2 (1) its receipts and expenditures during its fiscal year;

3 (2) its assets and liabilities at the end of its fiscal year,  
4 including a schedule of its leases and mortgages and the status of  
5 reserve, special and other funds; and

6 (3) a schedule of its bonds and notes outstanding at the end  
7 of its fiscal year, together with a statement of the amounts redeemed  
8 and incurred during its fiscal year, and which also sets out statements  
9 in detail of

10 (A) the progress of fulfillment of the financial and  
11 economic projections contained in the general development and  
12 specific development plans, and

13 (B) its operations and accomplishments and any material  
14 problems encountered in implementing the development plan.

15 Sec. 44.63.400. CONFLICTS OF INTEREST. (a) No director or em-  
16 ployee of the corporation or member of the advisory board may partici-  
17 pate in any decision of the corporation relating to a private firm in  
18 which he has a direct or indirect financial interest.

19 (b) The executive director and members of the board of directors  
20 are subject to AS 39.50.

21 Sec. 44.63.410. LIMITATION OF LIABILITY. No person executing a  
22 bond or note of the corporation is liable personally on such obligations  
23 by reason of their issuance.

24 Sec. 44.63.420. TERMINATION OF CORPORATION. (a) Unless a deter-  
25 mination is made under (b) of this section to extend the existence of  
26 the corporation, the board of directors shall adopt a resolution to  
27 terminate the existence of the corporation upon the occurrence of any of  
28 the following events: (1) the board's determination that the general  
29 development plan has been completed; (2) the attainment by the capital

1 city of a population of 11,100 as certified by the Department of Com-  
2 munity and Regional Affairs; or (3) the arrival of the year 2011. The  
3 resolution shall be adopted in accordance with the procedure established  
4 in sec. 100(b) of this chapter.

5 (b) Not later than one year before the anticipated occurrence of  
6 any of the events in (a) of this section, the board of directors shall  
7 recommend to the legislature and the legislature shall determine whether  
8 the corporation shall continue in existence beyond the occurrence of the  
9 event.

10 (c) No law which terminates the corporation's existence or mater-  
11 ially alters its powers in a manner which adversely affects its capacity  
12 to repay bonds, notes or other obligations outstanding may take effect  
13 so long as any bonds, notes or obligations remain outstanding, unless  
14 adequate provision has been made for their payment as provided in the  
15 documents securing them.

16 Sec. 44.63.430. DEFINITIONS. In this chapter, unless the context  
17 requires otherwise,

18 (1) "bonds" and "notes" mean the bonds and notes, respec-  
19 tively, issued by the corporation under this chapter;

20 (2) "capital city area" or "capital city site" means the area  
21 specified in AS 29.18.520;

22 (3) "capital city" means the municipality created under AS  
23 29.18.500 - 29.18.660;

24 (4) "committee" means the Capital City Development Oversight  
25 Committee established in sec. 290 of this chapter;

26 (5) "corporation" means the Alaska Capital City Development  
27 Corporation created by sec. 20 of this chapter;

28 (6) "advisory board" means the Development Advisory Board  
29 created under sec. 110 of this chapter;

1 (7) "development program" means one or more works, under-  
2 takings or improvements (surface, subsurface, or overhead) or buildings  
3 constructed, reconstructed, or improved or to be constructed, recon-  
4 structed, or improved by the corporation within the capital city area,  
5 under one or more specific development plans, as the corporation con-  
6 siders necessary or appropriate;

7 (8) "facility" means any utility or infra-structure plant and  
8 any system or improvement, whether used or useful for residential,  
9 educational, commercial, institutional, community, private, semi-private  
10 or public purposes, including, without limitation, facilities such as  
11 roads and public transportation systems, parks and recreational facili-  
12 ties, water, sewer and drainage systems, electric, telephone and other  
13 energy or communications systems or utilities and health, educational  
14 and community facilities, and private facilities such as housing, com-  
15 mercial and industrial enterprises, in each case of whatever kind or  
16 character and under whatever form of ownership, and all necessary real  
17 or personal property;

18 (9) "general development plan" means a general land use and  
19 land development plan for the capital city area which contains the  
20 elements set out in sec. 30 of this chapter;

21 (10) "improved real property" means land on which there are  
22 structures to be used for purposes under the general development plan  
23 and land used in connection with the structures;

24 (11) "real property" or "land" includes any right, title or  
25 interest in real property of any kind, including, but without limita-  
26 tion, land under water and subsurface or air rights separated from  
27 surface rights;

28 (12) "municipality" means a home rule or general law city or  
29 borough including but not limited to the capital city and a unified

1 municipality organized under AS 29.68.240 - 29.68.440;

2 (13) "private firm" means any private person, partnership,  
3 corporation, foundation, trust, or other business entity whether orga-  
4 nized for profit or not for profit;

5 (14) "public agency" means any officer, department, board,  
6 commission, bureau, division, public corporation, agency or instru-  
7 mentality of the state, the United States, or any municipality;

8 (15) "regulations" means actions of the corporation to imple-  
9 ment secs. 120(21), 180 and 200 of this chapter adopted in accordance  
10 with sec. 20(h) of this chapter and any other action by the corporation  
11 which it determines to take in the manner provided in sec. 100 of this  
12 chapter to implement any other provision of this chapter;

13 (16) "specific development plans" means the various plans for  
14 the implementation of each phase or segment of the general development  
15 plan, which contain the elements more particularly set out in secs. 130  
16 and 140 of this chapter.

17 \* Sec. 2. AS 29.18 is amended by adding new sections to read:

18 ARTICLE 5. CAPITAL CITY INCORPORATION.

19 Sec. 29.18.510. INCORPORATION. There is created and incorporated  
20 a city of the state as the capital city of Alaska which is a city of the  
21 first class. The capital city has all the powers of a first class city.

22 Sec. 29.18.520. BOUNDARIES. The boundaries of the capital city  
23 shall include all of that area of land designated by the voters of  
24 Alaska as the new capital site of the state.

25 Sec. 29.18.530. CITY COUNCIL. (a) Until council members elected  
26 by the residents of the capital city take office as provided in sec. 570  
27 of this chapter, the council of the capital city shall have five mem-  
28 bers, four of whom shall be appointed by the governor and shall serve at  
29 the pleasure of the governor. The development corporation shall desig-