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1 arising upon the breach by it of a covenant, condition, or obligation;  
2 covenant and prescribe as to events of default and terms and conditions  
3 upon which any or all of its bonds or notes shall become or may be  
4 declared due before maturity; and covenant as to the terms and condi-  
5 tions upon which this declaration and its consequences may be waived;

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

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

17 (11) provide for the powers and duties of the trustees, and  
18 limit the liability of the trustees;

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

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

1 section.

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

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

24 (g) If the corporation considers it advisable, the corporation may  
25 retain, in the proceedings under which any of its bonds or notes are  
26 authorized to be issued, an option to redeem all or any part of the  
27 bonds or notes as specified in the proceedings, at the price or prices,  
28 after any notice or notices, and on the terms and conditions as are set  
29 out in the proceedings and as are stated on the face of the bonds or

1 notes. Nothing in this subsection shall be construed to give the cor-  
2 poration any right or option to redeem any bonds or notes except as is  
3 provided in the proceedings under which they are issued.

4 Sec. 44.63.250. RESERVE FUNDS. (a) To assure the continued  
5 operation and solvency of the corporation for the carrying out of the  
6 public purposes of this chapter, the corporation may establish one or  
7 more reserve funds to be known as debt service reserve funds and may pay  
8 into these reserve funds (1) any proceeds of sale of bonds and notes to  
9 the extent provided in the resolution of the corporation authorizing  
10 their issuance, and (2) any other money which is available to the cor-  
11 poration, for the purposes of the funds, from the state or from any  
12 other source or sources. The money held in or credited to a debt ser-  
13 vice reserve fund established under this section, except as otherwise  
14 provided, shall be used solely for the payment of the principal of bonds  
15 of the corporation secured by the reserve fund as the bonds mature, the  
16 purchase of the bonds of the corporation, the payment of interest on the  
17 bonds of the corporation, or the payment of any redemption premium  
18 required to be paid when the bonds are redeemed before maturity. Money  
19 in a debt service reserve fund may not be withdrawn from the fund in an  
20 amount which would reduce the amount of the fund to less than the re-  
21 quired debt service reserve, except for the purpose of paying principal  
22 and interest on the bonds of the corporation secured by the reserve fund  
23 maturing and becoming due and for the payment of which other money of  
24 the corporation is not available. Any income or interest earned by, or  
25 increment to, a debt service reserve fund may be transferred to any  
26 other fund or account of the corporation to the extent it does not  
27 reduce the amount of the debt service reserve fund below the required  
28 debt service reserve. As used in this section, "required debt service  
29 reserve" means, as of the date of computation, the amount required to be

1 on deposit in the reserve fund as provided by resolution of the cor-  
2 poration.

3 (b) The corporation may not issue bonds unless there is in the  
4 reserve fund the required debt service reserve for all bonds then issued  
5 and outstanding and for the bonds to be issued unless the corporation,  
6 at the time of issuance of the bonds, deposits in the reserve fund from  
7 the proceeds of the bonds to be issued, or otherwise, an amount which  
8 together with the amount then in the reserve fund will be not less than  
9 the required debt service reserve.

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

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

26 (e) Whenever the corporation has established a debt service re-  
27 serve fund, the commissioner of revenue may lend surplus money in the  
28 general fund to the corporation for deposit in a debt service reserve  
29 fund in an amount equal to the required debt service reserve. The loans

1 shall be made on such terms and conditions as may be agreed upon by the  
2 commissioner of revenue and the corporation, including without limita-  
3 tion, terms and conditions providing that the loans need not be repaid  
4 until the obligations of the corporation secured and to be secured by  
5 the debt service reserve fund are no longer outstanding.

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

10 Sec. 44.63.260. AGREEMENTS OF THE STATE WITH RESPECT TO BONDS.  
11 The state pledges to and agrees with the holders of any bonds or notes  
12 issued under this chapter, that the state will not limit or alter the  
13 rights vested in the corporation to fulfill the terms of any agreements  
14 made with the holders of the bonds or notes, or in any way impair the  
15 rights and remedies of the holders until the bonds or notes, together  
16 with interest, with interest on any unpaid installments of interest, and  
17 all costs and expenses in connection with any action or proceeding by or  
18 on behalf of the holders, are fully met and discharged. The corporation  
19 may include this pledge and agreement of the state in any agreement with  
20 the holders of bonds or notes.

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

1 indebtedness or the borrowing of money within the meaning of any limi-  
2 tation or restriction on the issuance of bonds contained in the consti-  
3 tution or laws of the state.

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

14 ARTICLE 5. GENERAL PROVISIONS.

15 Sec. 44.63.290. EXECUTIVE BUDGET ACT. The corporation is not  
16 subject to the provisions of the Executive Budget Act (AS 37.07).

17 Sec. 44.63.300. ANNUAL BUDGET. The board of directors shall  
18 review and approve, by a two-thirds vote of members of the board, the  
19 annual operational and capital program and budget for the corporation  
20 and may, by two-thirds vote, amend the program and budget. No corporate  
21 funds may be expended or money borrowed except in accordance with an  
22 approved annual operational or capital program and budget.

23 Sec. 44.63.310. ANNUAL REPORT. The corporation shall submit to  
24 the governor, the Legislative Budget and Audit Committee, and the com-  
25 mittee established by sec. 170 of this chapter, within three months  
26 after the end of the corporation's fiscal year, a complete financial  
27 report audited by a certified public accountant or firm of certified  
28 public accountants, which shows

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

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

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

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

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

13 Sec. 44.63.320. CONFLICTS OF INTEREST. No director or employee of  
14 the corporation or member of the advisory board may participate in any  
15 decision of the corporation relating to a private firm in which he has a  
16 direct or indirect financial interest.

17 Sec. 44.63.330. LIMITATION OF LIABILITY. No person executing a  
18 bond or note of the corporation is liable personally on such obligations  
19 by reason of their issuance.

20 Sec. 44.63.340. TERMINATION OF CORPORATION. The corporation shall  
21 continue until (1) it determines that its general development plan has  
22 been completed; or (2) the capital city attains a population of 7,500  
23 as certified by the Department of Community and Regional Affairs, which-  
24 ever occurs first. Not later than one year before the anticipated  
25 occurrence of either, the corporation shall recommend to the legislature  
26 whether its existence shall continue beyond either of the events for  
27 further development of the capital city, and the terms and conditions of  
28 the corporation's proposed continued existence. The legislature shall  
29 review the question of the existence of the corporation not later than

1 the year 2010 if it has not earlier done so in connection with either of  
2 the events. No law which terminates the corporation's existence or  
3 materially alters its powers in a manner which adversely affects its  
4 capacity to repay bonds, notes or other obligations outstanding may take  
5 effect so long as any bonds, notes or obligations remain outstanding,  
6 unless adequate provision has been made for their payment as provided in  
7 the documents securing them. Upon the adoption of a resolution to  
8 terminate its existence in accordance with this section at a meeting  
9 held in accordance with the procedure set out in sec. 100(b) of this  
10 chapter for adoption or repeal of a regulation, all of the rights,  
11 properties and assets of the corporation shall pass to and be vested in  
12 the state except that adequate provision shall be made for all out-  
13 standing liabilities.

14 Sec. 44.63.350. DEFINITIONS. In this chapter, unless the context  
15 requires otherwise,

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

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

20 (3) "capital city" means the municipality created under AS  
21 29.18.500 - 29.18.660;

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

24 (5) "advisory board" means the Development Advisory Board  
25 created under sec. 110 of this chapter;

26 (6) "development program" means one or more works, under-  
27 takings or improvements (surface, subsurface, or overhead) or buildings  
28 constructed, reconstructed, or improved or to be constructed, recon-  
29 structed, or improved by the corporation within the capital city area,

1 under one or more specific development plans, as the corporation con-  
2 siders necessary or appropriate;

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

14 (8) "general development plan" means a general land use and  
15 land development plan for the capital city area which contains the  
16 elements set out in sec. 30 of this chapter;

17 (9) "improved real property" means land on which there are  
18 structures to be used for purposes under the general development plan  
19 and land used in connection with the structures;

20 (10) "real property" or "land" includes any right, title or  
21 interest in real property of any kind, including, but without limita-  
22 tion, land under water and subsurface or air rights separated from  
23 surface rights;

24 (11) "municipality" means a home rule or general law city or  
25 borough including but not limited to the capital city and a unified  
26 municipality organized under AS 29.68.240 - 29.68.440;

27 (12) "private firm" means any private person, partnership,  
28 corporation, foundation, trust, or other business entity whether orga-  
29 nized for profit or not for profit;

1 (13) "public agency" means any officer, department, board,  
2 commission, bureau, division, public corporation, agency or instru-  
3 mentality of the state, the United States, or any municipality;

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

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

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

14 ARTICLE 5. CAPITAL CITY INCORPORATION.

15 Sec. 29.18.500. LEGISLATIVE FINDINGS. The legislature finds that

16 (1) the relocation of the capital site of the State of Alaska  
17 to the capital city area, as mandated by the people of the state, and  
18 incorporation of a municipality encompassing the capital city area in  
19 order to implement that relocation are subjects of special concern;

20 (2) there is a need for a municipality encompassing the  
21 capital city area, before the arrival of any resident population, in  
22 order to assist in the planning and development of the capital city  
23 area, apply for grants, loans, technical assistance or other available  
24 forms of aid, negotiate and enter into cooperative agreements with other  
25 governmental entities, and prepare to provide services to the antici-  
26 pated population;

27 (3) the present absence of a resident population and the  
28 projected arrival of a large resident population at the capital city  
29 area create unique circumstances requiring the creation of a special

1 governmental framework to prepare for the initial governancce of the  
2 capital city area, and to assist the Alaska Capital City Development  
3 Corporation (AS 44.63.020) in the implementation of the general de-  
4 velopment plan and specific development plans for the capital city;

5 (4) it is in the best interest of the citizens of the state  
6 to incorporate a capital city in the capital city area at this time and  
7 to invest it with the powers and duties specified by law in order to  
8 assure a well-planned and well-governed community; and

9 (5) there is no generally applicable statute which would  
10 adequately carry out the purposes of this chapter.

11 Sec. 29.18.510. INCORPORATION. There is created and incorporated  
12 a city of the state as the capital city of Alaska which is a city of the  
13 second class within the Matanuska-Susitna Borough. The name of the city  
14 shall be determined in accordance with AS 44.06.170. No action of the  
15 Local Boundary Commission (AS 44.19.250 - 44.19.340) is required in  
16 connection with the incorporation of the capital city under this chap-  
17 ter. The residents of the capital city may petition to change the  
18 classification of the capital city as a municipality in the manner  
19 provided by law; however, the capital city may not dissolve without the  
20 approval of the governor and the legislature.

21 Sec. 29.18.520. BOUNDARIES. The boundaries of the capital city  
22 shall include all of that area of land designated by the voters of  
23 Alaska as the new capital site of the state. No change in boundaries is  
24 effective without the approval of the legislature and the governor.

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-

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. (a) Until a mayor  
23 is elected in accordance with sec. 570 of this chapter, the council  
24 shall appoint a city manager for the capital city to serve at the  
25 pleasure of the council. The city manager may not be a council member.

26 (b) Except to the extent that the council assigns functions or  
27 duties to the other city officials, and except that the city manager may  
28 neither preside nor vote at council meetings, the city manager has the  
29 powers and duties of all executive and administrative city officials set

1 out in this title.

2 (c) The council may appoint additional city officials who shall  
3 assume the duties specified by ordinance.

4 Sec. 29.18.560. PROCEDURES. Until council members elected by the  
5 residents of the capital city take office as provided in sec. 570 of  
6 this chapter,

7 (1) the council shall meet at least once every month, at the  
8 location of its choice, unless otherwise provided by ordinance; special  
9 meetings may be held on the call of the chairman or two council members  
10 upon not less than 24 hours written or oral notice communicated to each  
11 member;

12 (2) the council shall determine its own rules and provide for  
13 keeping a journal of its proceedings;

14 (3) three council members constitute a quorum and three  
15 affirmative votes are required for the passage of an ordinance, resolu-  
16 tion, or motion;

17 (4) the final vote on each ordinance, resolution, or sub-  
18 stantive motion shall be a recorded roll call vote; all council members  
19 present shall vote unless the council, for special reasons, permits a  
20 member to abstain;

21 (5) the council may provide for meetings to be held and  
22 formal action to be taken by conference telephone;

23 (6) whenever the council is required by law to provide public  
24 notice or to publish notice in a newspaper of general circulation within  
25 the municipality, that element of notice shall be satisfied if

26 (A) the notice is published in a newspaper of general  
27 circulation in the Matanuska-Susitna Borough, and

28 (B) when the notice is given in connection with a  
29 planned public hearing in a municipality outside the Matanuska-

1           Susitna Borough, if the notice is also published in a newspaper of  
2           general circulation in that municipality.

3           Sec. 29.18.570. TRANSITION. (a) When the capital city attains a  
4           population of 25 permanent residents, as certified by the lieutenant  
5           governor based on the best information available, the lieutenant gover-  
6           nor shall notify the council of this determination. The lieutenant  
7           governor shall specify an election date which shall be the first Tuesday  
8           of October following the notification, except that if it is less than  
9           six months from the date of the certification to the first Tuesday of  
10          October then the election date shall be the first Tuesday of October of  
11          the year following. The elected members shall take office on the Monday  
12          following the election.

13          (b) After the lieutenant governor has specified the election date,  
14          the council shall make arrangements for an election at which five  
15          council members shall be elected in the manner prescribed by ordinance.  
16          The expenses of the election shall be borne by the state. The council  
17          of the capital city shall have seven members. The governor shall desig-  
18          nate two council members holding office on the date of the election to  
19          remain members of the council for a two-year term commencing on the date  
20          the elected council members take office. The successors to the ap-  
21          pointed council members shall be elected by the residents, except that  
22          if either of the appointed council members leaves office during the two  
23          years, the governor may appoint a successor. The terms of all other  
24          appointed or designated council members expire when the elected council  
25          members take office. The council shall by ordinance adopted before the  
26          election provide for the manner of nominating candidates for office and  
27          for the election procedures. The term of elected council members is two  
28          years; however, three of the members are elected for an initial term of  
29          one year and the remainder for two years. A mayor shall be chosen from

1 among the members of the council in the manner provided by law and  
2 ordinance.

3 Sec. 29.18.580. POWERS. The capital city is a second class city  
4 and, except as otherwise provided in this chapter, has all of the powers  
5 of a second class city. The Matanuska-Susitna Borough may not, without  
6 the approval of the legislature, assume or exercise an areawide power  
7 within the capital city area for a period of five years from the date of  
8 the election described in sec. 570(b) of this chapter except as provided  
9 in an agreement with the capital city and the development corporation  
10 entered into under sec. 630 of this chapter, and except for those powers  
11 being exercised on an areawide basis on January 1, 1978.

12 Sec. 29.18.590. PUBLIC SCHOOLS. The capital city and the  
13 Matanuska-Susitna Borough shall enter into a cooperative agreement, to  
14 which the development corporation and the state may be a party, for the  
15 timely provision of public schools in the capital city area in accor-  
16 dance with the general development plan. Payments to fund the annual  
17 cost of repayment of principal, and accrued interest, obligated by the  
18 borough for construction of public schools included in the general  
19 development plan in the capital city area shall be made to the borough  
20 by the state in each year at the times necessary for the borough to meet  
21 its applicable repayment dates. The capital costs, in the amounts and  
22 when required in accordance with the general and applicable specific  
23 development plans, shall be provided to the borough by the state with  
24 the proceeds of general obligation bonds.

25 Sec. 29.18.600. TAXING POWER. So long as it is a second class  
26 city, the capital city may by referendum levy real and personal property  
27 taxes at a rate not to exceed the maximum rate then permitted by law for  
28 first class cities.

29 Sec. 29.18.610. PLANNING AND ZONING AUTHORITY. The capital city

1 and the Matanuska-Susitna Borough shall, within nine months after incor-  
2 poration of the capital city, enter into an agreement by which the  
3 capital city shall exercise the planning, zoning, building and housing  
4 code powers and functions it considers necessary and desirable in order  
5 to assure coordination with and preservation of the general development  
6 plan and specific development plans. The agreement shall consider the  
7 need and desirability for coordination among the development corpora-  
8 tion, the capital city, and the borough, and shall provide for a sharing  
9 of planning, zoning, building and housing code powers and functions  
10 between the capital city and the borough which ensures an orderly de-  
11 velopment of the general development plan and specific development plans  
12 and a maximum of control by the residents of the capital city over local  
13 community development and affairs, consistent with the general regional  
14 concerns of the borough. The development corporation may be a party to  
15 this agreement. The general development plan and specific development  
16 plans constitute the land use plan for the capital city area and super-  
17 sede all planning, zoning, subdivision, building code, or other similar  
18 enactments of the Matanuska-Susitna Borough in the capital city area  
19 with respect to land not owned by the development corporation. With  
20 respect to land not owned by the development corporation, the general  
21 development plan and specific development plans shall continue to super-  
22 sede enactments of the Matanuska-Susitna Borough until after the land  
23 has been fully developed. After full development of any parcel of land,  
24 the Matanuska-Susitna Borough may not exercise any areawide power in a  
25 manner which conflicts with the general development plan or specific  
26 development plans until the development corporation is dissolved or  
27 January 1, 2000, whichever comes first.

28 Sec. 29.18.620. TRANSFER OF UTILITIES TO CAPITAL CITY. The  
29 development corporation, in cooperation with the capital city, shall

1 arrange for and agree to an orderly schedule for transferring to the  
2 capital city ownership of, and financial and operational responsibility  
3 for utilities and any other facilities which the development corporation  
4 considers to be integral parts of the capital city infra-structure.

5 Before January 1, 1985, the development corporation and the council of  
6 the capital city shall jointly retain independent consultants to study  
7 and determine an orderly schedule for transfer of these utilities and  
8 facilities to the capital city. The study shall consider the capabili-  
9 ties of the capital city and its existing and anticipated residents to  
10 finance the cost of these utilities and other facilities and their  
11 operating expenses. The consultants shall propose a recommended  
12 schedule for and terms of transfer which are commensurate with the  
13 capital city's existing and anticipated population, tax base and any  
14 other factors relating to its capability to finance and operate these  
15 facilities as they consider appropriate. The development corporation  
16 shall, after considering the consultants' report, propose a schedule of  
17 and terms and conditions of the transfer to the capital city, which  
18 shall, upon review and approval by the council, be included in an  
19 agreement between the development corporation and the capital city. If  
20 the development corporation and the capital city are unable to agree  
21 within six months after the development corporation submits its pro-  
22 posal, the development corporation shall submit the proposal to the  
23 Legislative Budget and Audit Committee which shall consider the pro-  
24 posal, and if the committee considers it appropriate to do so, shall  
25 recommend to the legislature legislation it considers desirable for the  
26 disposition of the utilities and other facilities. If no recommendation  
27 is made to the legislature or if the legislature does not enact legis-  
28 lation regarding the disposition during the legislative session at which  
29 the recommendation is made, the development corporation may at any time

1 thereafter sell or dispose of the utilities and facilities or any of  
2 them to a private person or entity or government body, or continue to  
3 operate them.

4 Sec. 29.18.630. AGREEMENTS. The development corporation, the  
5 capital city, the Matanuska-Susitna Borough, the state and any agency or  
6 instrumentality of the state, as well as all other entities permitted by  
7 law, may enter into agreements for the cooperative or joint administra-  
8 tion of any functions or powers. An agreement, whenever entered into,  
9 shall be binding and enforceable upon the parties in accordance with its  
10 terms. This section shall continue to apply to the capital city and the  
11 Matanuska-Susitna Borough if either adopts a home rule charter.

12 Sec. 29.18.640. APPLICABILITY OF OTHER PROVISIONS OF LAW. All  
13 applicable provisions of law consistent with the provisions of this  
14 article apply to the capital city. When there is an inconsistency  
15 between secs. 500 - 660 of this chapter and any other provision of law,  
16 the provisions of secs. 500 - 660 of this chapter prevail. The provi-  
17 sions of secs. 520, 580, 610, 620 and 630 of this chapter authorizing  
18 agreements to be entered into by the capital city and limiting boundary  
19 changes (AS 29.18.540) and action of the Matanuska-Susitna Borough (AS  
20 29.18.610 and AS 29.18.640) shall continue in effect notwithstanding a  
21 change in the municipal classification of the capital city or the adop-  
22 tion of a home rule charter.

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

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

27 (2) "capital city" means the municipality incorporated by  
28 this chapter;

29 (3) "development corporation" means the Alaska Capital City

1 Development Corporation;

2 (4) "general development plan" has the same meaning as pro-  
3 vided in AS 44.63.030 and includes amendments to the general development  
4 plan;

5 (5) "specific development plan" has the same meaning as pro-  
6 vided in AS 44.63.035 and includes amendments to each specific develop-  
7 ment plan.

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

10 \* Sec. 3. AS 18.56.210 is amended by adding a new paragraph to read:

11 (13) "underdeveloped area" includes, in addition to those  
12 areas described in (12) of this section, the capital city area as de-  
13 fined in AS 29.18.520 until its population exceeds 37,500 as determined  
14 by the Department of Community and Regional Affairs.

15 \* Sec. 4. AS 44.58.270 is amended by adding a new subsection to read:

16 (i) All references to the "reserve fund" in this section include  
17 special accounts within the reserve fund which may be created by the  
18 authority to secure the payment of particular bonds, including, without  
19 limitation, bonds issued by the capital city established under AS 29.-  
20 18.510. The commissioner of revenue may lend surplus money in the  
21 general fund to the corporation for deposit to any account in the re-  
22 serve fund in an amount equal to the required debt service reserve. The  
23 loans shall be made on such terms and conditions as may be agreed upon  
24 by the commissioner of revenue and the authority, including, without  
25 limitation, terms and conditions providing that the loans need not be  
26 repaid until the obligations of the corporation secured and to be  
27 secured by the account in the reserve fund are no longer outstanding.

28 \* Sec. 5. The commissioner of revenue may loan an amount not to exceed  
29 \$96,200,000 from surplus money in the general fund to the Alaska State

1 Housing Authority (AS 18.55.010 - 18.55.290) for the purpose of providing  
2 housing for persons of lower income in the capital city area. The amounts  
3 loaned shall be used by the authority for that purpose in accordance with the  
4 provisions of AS 18.55.300 - 18.55.370. The loan or loans by the commis-  
5 sioner of revenue to the authority shall be made at the rate or rates of  
6 interest and upon the terms and conditions as the commissioner of revenue and  
7 the authority may agree upon.

8 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.-  
9 10.070(c).

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**COMMITTEE REPORT**  
**SENATE**

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

5/19/78

Date: \_\_\_\_\_

Mr. President:

The Committee on FINANCE has had SB 553  
relating to planning for and development of the new Alaska Capital

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 \_\_\_\_\_

and \_\_\_\_\_  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:

OTHER RECOMMENDATIONS:

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COMMITTEE REPORT

SENATE

FURTHER: FINANCE

3/17/78

Date: May 18, 1978

Mr. President:

The Committee on STATE AFFAIRS has had SB 553

"An Act relating to planning for and development of the new Alaska Capital."

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 SB 553

and \_\_\_\_\_ ( ) new title () same title

( ) AND attaches a Letter of Intent ( ) New Fiscal Note

() reports it back without <sup>individual</sup> recommendation

( ) and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

Brad Bradley

OTHER RECOMMENDATIONS:

John Hunter <sup>DO NOT PASS OUT OF COMMITTEE</sup> AND DO NOT PASS

Ed Willis  
Chairman

Original sponsor: State Affairs Committee

Offered: 5/19/78  
Referred: Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 553

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; and providing for an effective  
8 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 new  
5 capital city and the mayor of the Matanuska-Susitna Borough, who serve  
6 as directors ex officio with voting privileges, and eight directors  
7 appointed by the governor. The governor shall appoint one director to  
8 serve until the mayor of the new capital city is elected in accordance  
9 with AS 29.18.570. No more than three of the appointed directors may be  
10 full-time elected or appointed employees or officials of the state or of  
11 any municipality. No state legislator may be appointed or serve.

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

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

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

25 (e) Until appointment by the governor of the full board of direc-  
26 tors and the holding of the initial meeting, the New Capital Site Plan-  
27 ning Commission (AS 44.06.200 - 44.06.260) shall govern the corporation  
28 as the board of directors. However, the legislative members of the  
29 commission serve solely in an advisory capacity. The members of the

1 commission acting as the board of directors of the corporation shall  
2 have the voting rights fixed in AS 44.06.210 for commission members.

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

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

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

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

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

26 (b) The board of directors may appoint and determine the salary of  
27 other officers specified in the bylaws of the corporation, with the  
28 powers and duties as set out in the bylaws.

29 (c) The executive director, with the approval of the board, may

1 employ additional staff, and may retain others considered necessary or  
2 appropriate to carry out the purposes of the corporation.

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

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

9 Sec. 44.63.089. OTHER EMPLOYMENT OF DIRECTORS PERMITTED. A direc-  
10 tor may hold any position of public or private employment while serving  
11 on the board of directors.

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

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

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

24 (b) Except as provided in (c) of this section, at least 15 days  
25 before taking any action on a regulation, the board shall give public  
26 notice of the proposed action by publishing the notice in at least three  
27 newspapers of general circulation in Anchorage, Fairbanks and Juneau,  
28 and by mailing a copy of the notice to every person who has filed a  
29 request for notice of proposed regulations with the corporation. The

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

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

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

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

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

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

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

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

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

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

- 28 (1) sue and be sued;  
29 (2) adopt and alter an official seal;

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

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

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

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

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

25 (8) prepare or contract for the preparation of studies,  
26 analyses, specifications, designs and estimates of cost for the con-  
27 struction, development, reconstruction or improvement of any property  
28 within the capital city area;

29 (9) manage or contract for the management of all or any part

1 of a development program or programs on the terms the corporation con-  
2 siders appropriate;

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

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

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

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

25 (14) survey the real property within the capital city area;  
26 undertake geological, environmental and other similar studies and anal-  
27 yses of the property; and gather and disseminate all relevant informa-  
28 tion pertaining to the suitability of any portion of the capital city  
29 area for various land uses;

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

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

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

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

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

22 (20) issue, in accordance with regulations adopted under this  
23 chapter, certificates evidencing compliance with applicable covenants  
24 relating to building, use and occupancy;

25 (21) subject to any agreement with noteholders or bondholders,  
26 enter into agreements to pay annual sums in lieu of taxes to a munici-  
27 pality in respect of any real property which is owned by the corporation  
28 and which is exempt from taxation under this chapter; and

29 (22) do any and all things necessary or convenient to carry

1 out the purposes of this chapter and exercise the powers granted in this  
2 chapter.

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

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

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

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

29 (3) a statement of the approximate projected time schedule

1 for the stages of development of the capital city area, both as to  
2 various parts of the capital city area and as to the various types or  
3 categories of land uses proposed;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (6) a statement of the relationship between the specific

1 development plan and the general development plan; and

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

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

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

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

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

27 Sec. 44.63.150. RELATIONSHIP OF CORPORATION, THE STATE AND MUNI-  
28 CIPALITIES. (a) In carrying out the purposes of this chapter, the  
29 corporation shall work closely with, consult and cooperate with the

1 state, the Matanuska-Susitna Borough, and the capital city, and their  
2 departments, agencies or instrumentalities.

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

14 (c) In addition to the agreement authorized by AS 29.16.640, the  
15 corporation may enter into agreements with the capital city providing  
16 that the city furnish, as necessary, for the capital city area included  
17 in any development program which has not yet been completed, municipal  
18 services as fixed in the agreements. The agreements may provide for  
19 payment by the corporation to the city of the costs of these services on  
20 a formula or other basis as may be fixed in the agreements.

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

27 (e) The corporation, on behalf of itself or in its own name on  
28 behalf of any person performing work in connection with the general  
29 development plan or a specific development plan, may file a master

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

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

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

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

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

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

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

1 dance with (a) of this section.

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

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

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

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

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

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

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

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

1 these deposits.

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

15               ARTICLE 4. CAPITAL DEVELOPMENT FINANCE.

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

1 tion does not apply to the issuance of notes or other evidences of  
2 indebtedness issued by the corporation under sec. 170 of this chapter.

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

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

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

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

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

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

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

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

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

1 shall be subject to the provisions of this chapter in the same manner  
2 and to the same extent as any other bonds or notes issued under this  
3 chapter.

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

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

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

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

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

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

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

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

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

17 (5) provide for the replacement of lost, destroyed or mutil-  
18 ated bonds or notes;

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

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

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

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

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

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

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

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

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

27 (c) Each pledge, agreement, mortgage or other instrument made for  
28 the benefit or security of any of the bonds or notes of the corporation  
29 shall continue to be effective until the principal of and interest on

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

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

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

29 Sec. 44.63.250. RESERVE FUNDS. (a) To assure the continued

1 operation and solvency of the corporation for the carrying out of the  
2 public purposes of this chapter, the corporation may establish one or  
3 more reserve funds to be known as debt service reserve funds and may pay  
4 into these reserve funds (1) any proceeds of sale of bonds and notes to  
5 the extent provided in the resolution of the corporation authorizing  
6 their issuance, and (2) any other money which is available to the cor-  
7 poration, for the purposes of the funds, from the state or from any  
8 other source or sources. The money held in or credited to a debt ser-  
9 vice reserve fund established under this section, except as otherwise  
10 provided, shall be used solely for the payment of the principal of bonds  
11 of the corporation secured by the reserve fund as the bonds mature, the  
12 purchase of the bonds of the corporation, the payment of interest on the  
13 bonds of the corporation, or the payment of any redemption premium  
14 required to be paid when the bonds are redeemed before maturity. Money  
15 in a debt service reserve fund may not be withdrawn from the fund in an  
16 amount which would reduce the amount of the fund to less than the re-  
17 quired debt service reserve, except for the purpose of paying principal  
18 and interest on the bonds of the corporation secured by the reserve fund  
19 maturing and becoming due and for the payment of which other money of  
20 the corporation is not available. Any income or interest earned by, or  
21 increment to, a debt service reserve fund may be transferred to any  
22 other fund or account of the corporation to the extent it does not  
23 reduce the amount of the debt service reserve fund below the required  
24 debt service reserve. As used in this section, "required debt service  
25 reserve" means, as of the date of computation, the amount required to be  
26 on deposit in the reserve fund as provided by resolution of the cor-  
27 poration.

28 (b) The corporation may not issue bonds unless there is in the  
29 reserve fund the required debt service reserve for all bonds then issued

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

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

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

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

1 the debt service reserve fund are no longer outstanding.

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

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

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

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

29 Sec. 44.63.280. BONDS AND NOTES AS LEGAL INVESTMENTS. The bonds

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

10 ARTICLE 5. CAPITAL CITY DEVELOPMENT OVERSIGHT COMMITTEE.

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

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

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

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

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

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

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

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

1       lative Budget and Audit Committee relating to the corporation;

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

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

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

15                               ARTICLE 6. GENERAL PROVISIONS.

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

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

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

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

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

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

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

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

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

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

23 Sec. 44.63.420. TERMINATION OF CORPORATION. (a) Unless a deter-  
24 mination is made under (b) of this section to extend the existence of  
25 the corporation, the board of directors shall adopt a resolution to  
26 terminate the existence of the corporation upon the occurrence of any of  
27 the following events: (1) the board's determination that the general  
28 development plan has been completed; (2) the attainment by the capital  
29 city of a population of 11,100 as certified by the Department of Com-

1 munity and Regional Affairs; or (3) the arrival of the year 2011. The  
2 resolution shall be adopted in accordance with the procedure established  
3 in sec. 100(b) of this chapter.

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

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

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

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

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

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

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

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

27 (6) "development advisory board" means the Development Advisory Board  
28 created under sec. 290 of this chapter;

29 (7) "development program" means one or more works, under-

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

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

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

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

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

27 (12) "municipality" means a home rule or general law city or  
28 borough including but not limited to the capital city and a unified  
29 municipality organized under AS 29.68.240 - 29.68.440;

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

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

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

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

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

17 ARTICLE 5. CAPITAL CITY INCORPORATION.

18 Sec. 29.18.500. LEGISLATIVE FINDINGS. The legislature finds that

19 (1) the relocation of the capital site of the State of Alaska  
20 to the capital city area, as mandated by the people of the state, and  
21 incorporation of a municipality encompassing the capital city area in  
22 order to implement that relocation are subjects of special concern;

23 (2) there is a need for a municipality encompassing the  
24 capital city area, before the arrival of any resident population, in  
25 order to assist in the planning and development of the capital city  
26 area, apply for grants, loans, technical assistance or other available  
27 forms of aid, negotiate and enter into cooperative agreements with other  
28 governmental entities, and prepare to provide services to the antici-  
29 pated population;

1 (3) the present absence of a resident population and the  
2 projected arrival of a large resident population at the capital city  
3 area create unique circumstances requiring the creation of a special  
4 governmental framework to prepare for the initial governance of the  
5 capital city area, and to assist the Alaska Capital City Development  
6 Corporation (AS 44.63.020) in the implementation of the general de-  
7 velopment plan and specific development plans for the capital city;

8 (4) it is in the best interest of the citizens of the state  
9 to incorporate a capital city in the capital city area at this time and  
10 to invest it with the powers and duties specified by law in order to  
11 assure a well-planned and well-governed community; and

12 (5) there is no generally applicable statute which would  
13 adequately carry out the purposes of this chapter.

14 Sec. 29.18.510. INCORPORATION. There is created and incorporated  
15 a city of the state as the capital city of Alaska which is a city of the  
16 second class within the Matanuska-Susitna Borough. The name of the city  
17 shall be determined in accordance with AS 44.06.170. No action of the  
18 Local Boundary Commission (AS 44.19.250 - 44.19.340) is required in  
19 connection with the incorporation of the capital city under this chap-  
20 ter. The residents of the capital city may petition to change the  
21 classification of the capital city as a municipality in the manner  
22 provided by law; however, the capital city may not dissolve without the  
23 approval of the governor and the legislature.

24 Sec. 29.18.520. BOUNDARIES. The boundaries of the capital city  
25 shall include all of that area of land designated by the voters of  
26 Alaska as the new capital site of the state. No change in boundaries is  
27 effective without the approval of the legislature and the governor.

28 Sec. 29.13.530. CITY COUNCIL. (a) Until council members elected  
29 by the residents of the capital city take office as provided in sec. 570

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

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

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

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

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

29 (b) Except to the extent that the council assigns functions or

1 duties to the other city officials, and except that the city manager may  
2 neither preside nor vote at council meetings, the city manager has the  
3 powers and duties of all executive and administrative city officials set  
4 out in this title.

5 (c) The council may appoint additional city officials who shall  
6 assume the duties specified by ordinance.

7 Sec. 29.18.560. PROCEDURES. Until council members elected by the  
8 residents of the capital city take office as provided in sec. 570 of  
9 this chapter,

10 (1) the council shall meet at least once every month, at the  
11 location of its choice, unless otherwise provided by ordinance; special  
12 meetings may be held on the call of the chairman or two council members  
13 upon not less than 24 hours written or oral notice communicated to each  
14 member;

15 (2) the council shall determine its own rules and provide for  
16 keeping a journal of its proceedings;

17 (3) three council members constitute a quorum and three  
18 affirmative votes are required for the passage of an ordinance, resolu-  
19 tion, or motion;

20 (4) the final vote on each ordinance, resolution, or sub-  
21 stantive motion shall be a recorded roll call vote; all council members  
22 present shall vote unless the council, for special reasons, permits a  
23 member to abstain;

24 (5) the council may provide for meetings to be held and  
25 formal action to be taken by conference telephone;

26 (6) whenever the council is required by law to provide public  
27 notice or to publish notice in a newspaper of general circulation within  
28 the municipality, that element of notice shall be satisfied if

29 (A) the notice is published in a newspaper of general

1 circulation in the Matanuska-Susitna Borough, and

2 (B) when the notice is given in connection with a  
3 planned public hearing in a municipality outside the Matanuska-  
4 Susitna Borough, if the notice is also published in a newspaper of  
5 general circulation in that municipality.

6 Sec. 29.18.570. TRANSITION. (a) When the capital city attains a  
7 population of 25 permanent residents, as certified by the lieutenant  
8 governor based on the best information available, the lieutenant gover-  
9 nor shall notify the council of this determination. The lieutenant  
10 governor shall specify an election date which shall be the first Tuesday  
11 of October following the notification, except that if it is less than  
12 six months from the date of the certification to the first Tuesday of  
13 October then the election date shall be the first Tuesday of October of  
14 the year following. The elected members shall take office on the Monday  
15 following the election.

16 (b) After the lieutenant governor has specified the election date,  
17 the council shall make arrangements for an election at which five  
18 council members shall be elected in the manner prescribed by ordinance.  
19 The expenses of the election shall be borne by the state. The council  
20 of the capital city shall have seven members. The governor shall desig-  
21 nate two council members holding office on the date of the election to  
22 remain members of the council for a two-year term commencing on the date  
23 the elected council members take office. The successors to the ap-  
24 pointed council members shall be elected by the residents, except that  
25 if either of the appointed council members leaves office during the two  
26 years, the governor may appoint a successor. The terms of all other  
27 appointed or designated council members expire when the elected council  
28 members take office. The council shall by ordinance adopted before the  
29 election provide for the manner of nominating candidates for office and

1 for the election procedures. The term of elected council members is two  
2 years; however, three of the members are elected for an initial term of  
3 one year and the remainder for two years. A mayor shall be chosen from  
4 among the members of the council in the manner provided by law and  
5 ordinance.

6 Sec. 29.18.580. POWERS. The capital city is a second class city  
7 and, except as otherwise provided in this chapter, has all of the powers  
8 of a second class city. The Matanuska-Susitna Borough may not, without  
9 the approval of the legislature, assume or exercise an areawide power  
10 within the capital city area for a period of five years from the date of  
11 the election described in sec. 570(b) of this chapter except as provided  
12 in an agreement with the capital city and the development corporation  
13 entered into under sec. 630 of this chapter, and except for those powers  
14 being exercised on an areawide basis on January 1, 1978.

15 Sec. 29.18.590. PUBLIC SCHOOLS. The capital city and the  
16 Matanuska-Susitna Borough shall enter into a cooperative agreement, to  
17 which the development corporation and the state may be a party, for the  
18 timely provision of public schools in the capital city area in accor-  
19 dance with the general development plan. Payments to fund the annual  
20 cost of repayment of principal, and accrued interest, obligated by the  
21 borough for construction of public schools included in the general  
22 development plan in the capital city area shall be made to the borough  
23 by the state in each year at the times necessary for the borough to meet  
24 its applicable repayment dates. The capital costs, in the amounts and  
25 when required in accordance with the general and applicable specific  
26 development plans, shall be provided to the borough by the state with  
27 the proceeds of general obligation bonds.

28 Sec. 29.18.600. TAXING POWER. So long as it is a second class  
29 city, the capital city may by referendum levy real and personal property

1 taxes at a rate not to exceed the maximum rate then permitted by law for  
2 first class cities.

3 Sec. 29.18.610. PLANNING AND ZONING AUTHORITY. The capital city  
4 and the Matanuska-Susitna Borough shall, within nine months after incor-  
5 poration of the capital city, enter into an agreement by which the  
6 capital city shall exercise the planning, zoning, building and housing  
7 code powers and functions it considers necessary and desirable in order  
8 to assure coordination with and preservation of the general development  
9 plan and specific development plans. The agreement shall consider the  
10 need and desirability for coordination among the development corpora-  
11 tion, the capital city, and the borough, and shall provide for a sharing  
12 of planning, zoning, building and housing code powers and functions  
13 between the capital city and the borough which ensures an orderly de-  
14 velopment of the general development plan and specific development plans  
15 and a maximum of control by the residents of the capital city over local  
16 community development and affairs, consistent with the general regional  
17 concerns of the borough. The development corporation may be a party to  
18 this agreement. The general development plan and specific development  
19 plans constitute the land use plan for the capital city area and super-  
20 sede all planning, zoning, subdivision, building code, or other similar  
21 enactments of the Matanuska-Susitna Borough in the capital city area  
22 with respect to land not owned by the development corporation. With  
23 respect to land not owned by the development corporation, the general  
24 development plan and specific development plans shall continue to super-  
25 sede enactments of the Matanuska-Susitna Borough until after the land  
26 has been fully developed. After full development of any parcel of land,  
27 the Matanuska-Susitna Borough may not exercise any areawide power in a  
28 manner which conflicts with the general development plan or specific  
29 development plans until the development corporation is dissolved or

1 January 1, 2000, whichever comes first.

2           Sec. 29.18.620. TRANSFER OF UTILITIES TO CAPITAL CITY. The  
3 development 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  
15 schedule for and terms of transfer which are commensurate with the  
16 capital city's existing and anticipated population, tax base and any  
17 other factors relating to its capability to finance and operate these  
18 facilities as they consider appropriate. The development corporation  
19 shall, after considering the consultants' report, propose a schedule of  
20 and terms and conditions of the transfer to the capital city, which  
21 shall, upon review and approval by the council, be included in an  
22 agreement between the development corporation and the capital city. If  
23 the development corporation and the capital city are unable to agree  
24 within six months after the development corporation submits its pro-  
25 posal, the development corporation shall submit the proposal to the  
26 Legislative Budget and Audit Committee which shall consider the pro-  
27 posal, and if the committee considers it appropriate to do so, shall  
28 recommend to the legislature legislation it considers desirable for the  
29 disposition of the utilities and other facilities. If no recommendation

1 is made to the legislature or if the legislature does not enact legis-  
2 lation regarding the disposition during the legislative session at which  
3 the recommendation is made, the development corporation may at any time  
4 thereafter sell or dispose of the utilities and facilities or any of  
5 them to a private person or entity or government body, or continue to  
6 operate them.

7 Sec. 29.18.630. AGREEMENTS. The development corporation, the  
8 capital city, the Matanuska-Susitna Borough, the state and any agency or  
9 instrumentality of the state, as well as all other entities permitted by  
10 law, may enter into agreements for the cooperative or joint administra-  
11 tion of any functions or powers. An agreement, whenever entered into,  
12 shall be binding and enforceable upon the parties in accordance with its  
13 terms. This section shall continue to apply to the capital city and the  
14 Matanuska-Susitna Borough if either adopts a home rule charter.

15 Sec. 29.18.640. APPLICABILITY OF OTHER PROVISIONS OF LAW. All  
16 applicable provisions of law consistent with the provisions of this  
17 article apply to the capital city. When there is an inconsistency  
18 between secs. 500 - 660 of this chapter and any other provision of law,  
19 the provisions of secs. 500 - 660 of this chapter prevail. The provi-  
20 sions of secs. 520, 580, 610, 620 and 630 of this chapter authorizing  
21 agreements to be entered into by the capital city and limiting boundary  
22 changes (AS 29.18.540) and action of the Matanuska-Susitna Borough (AS  
23 29.18.610 and AS 29.18.640) shall continue in effect notwithstanding a  
24 change in the municipal classification of the capital city or the adop-  
25 tion of a home rule charter.

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

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

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

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

5 (4) "general development plan" has the same meaning as pro-  
6 vided in AS 44.63.030 and includes amendments to the general develop-  
7 ment plan;

8 (5) "specific development plan" has the same meaning as pro-  
9 vided in AS 44.63.035 and includes amendments to each specific develop-  
10 ment plan.

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

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

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

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

21 (i) All references to the "reserve fund" in this section include  
22 special accounts within the reserve fund which may be created by the  
23 authority to secure the payment of particular bonds, including, without  
24 limitation, bonds issued by the capital city established under AS 29.-  
25 18.510. The commissioner of revenue may lend surplus money in the  
26 general fund to the authority for deposit to any account in the reserve  
27 fund in an amount equal to the required debt service reserve. The loans  
28 shall be made on such terms and conditions as may be agreed upon by the  
29 commissioner of revenue and the authority, including, without limita-

1 tion, terms and conditions providing that the loans need not be repaid  
2 until the obligations of the corporation secured and to be secured by  
3 the account in the reserve fund are no longer outstanding.

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

13 \* Sec. 6. The plan of the New Capital Site Planning Commission under AS  
14 44.06.230(j) referred to in sec. 44.63.130 of sec. 1 of this Act is modified  
15 by providing that of those central state positions in existence in 1977,  
16 1,798 will move to the new capital. The number of positions to be located in  
17 Juneau and the number to be located in the new capital are as follows:

	Juneau	new capital
Governor's Office	39	125
Department of Administration	80	209
Department of Law	3	36
Department of Revenue	89	79
Department of Education	201	2
Department of Health and Social Services	39	262
Department of Labor	287	91
Department of Commerce and Economic		
Development	9	121
Department of Natural Resources	0	16
Department of Fish and Game	13	36

1	Department of Public Safety	0	97
2	Department of Environmental Conservation	2	77
3	Department of Community and Regional		
4	Affairs	43	28
5	Department of Transportation and Public		
6	Facilities	32	278
7	Legislature	0	291
8	Court System	9	0

9 The plan is further modified by providing that (1) the move will be completed  
10 in 1987; (2) the population figure for planning purposes at that time is  
11 assumed to be 11,100; (3) for planning purposes, it is assumed that the rate  
12 of growth in central state positions will remain constant and that the rate  
13 of growth will be reflected in Juneau and Anchorage as well as in the new  
14 capital. Modifications to the plan are based upon the Senate State Affairs  
15 Committee report submitted May 19, 1978.

16 \* Sec. 7. This Act takes effect immediately in accordance with AS 01.10.-  
17 070(c).

92553

Introduced: 3/17/73  
Referred: State Affairs and  
Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 SENATE BILL NO. 553

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; and providing for an effective  
8 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 eligible  
10 for lower interest rate residential mortgage financing by the Alaska  
11 Housing Finance Corporation without regard to income limitations;

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 and the mayor of the  
5 Matanuska-Susitna Borough, who serve as directors ex officio with voting  
6 privileges, and nine directors appointed by the governor. Three of the  
7 appointed directors may be full-time elected or appointed employees or  
8 officials of the state other than state legislators or of any municipal-  
9 ity.

10           (b) The governor shall appoint directors with due regard to their  
11 expertise in areas relevant to public and private planning, development,  
12 finance, marketing, the general public interest and state and municipal  
13 government. The appointed directors shall be residents and qualified  
14 voters of the state. The appointed directors serve at the pleasure of  
15 the governor.

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

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

23           (e) Until appointment by the governor of the full board of direc-  
24 tors and the holding of the initial meeting, the New Capital Site Plan-  
25 ning Commission (AS 44.06.200 - 44.06.260) shall govern the corporation  
26 as the board of directors. The members of the commission acting as the  
27 board of directors of the corporation shall have the voting rights fixed  
28 in AS 44.06.210 for commission members.

29           Sec. 44.63.040. TERM OF OFFICE. Appointed directors serve for

1 terms of four years. Terms shall be staggered. Initial terms shall be  
2 two members serving for one year, two members serving for two years, two  
3 members serving for three years, two members serving for four years, and  
4 one member serving for five years. An appointee to fill a vacancy shall  
5 hold office for the balance of the term for which his predecessor on the  
6 board was appointed.

7 Sec. 44.63.050. QUORUM. (a) A majority of the directors of the  
8 corporation constitutes a quorum for the transaction of business and the  
9 exercise of the powers and duties of the board unless otherwise required  
10 by this chapter.

11 (b) The board may provide for meetings to be held and formal  
12 action taken by conference telephone when, in the judgment of the chair-  
13 man, conditions make a meeting in person difficult or impossible.

14 (c) A vacancy on the board does not impair the authority of a  
15 quorum of the board to exercise all the powers and perform all the  
16 duties of the board.

17 Sec. 44.63.060. COMPENSATION OF DIRECTORS. Appointed directors  
18 receive compensation fixed by the board of directors not to exceed \$200  
19 a day, or any greater amount as the governor may fix not to exceed \$500  
20 a day, for their services to the corporation, as well as reimbursement  
21 for their actual and necessary expenses incurred in the performance of  
22 their duties as directors.

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 general manager. The general manager is the chief execu-  
26 tive officer of the corporation. The general manager may not be a  
27 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 general manager, 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 other independent agents shall be hired in  
8 accordance with the provisions of AS 36.10.010, unless, in the judgment  
9 of the board, it would impede the scheduled implementation of the  
10 general development 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. No municipality or state agency may termi-  
14 nate a person's employment based solely upon the person's service as a  
15 director under this chapter.

16 Sec. 44.63.090. MEETINGS. (a) Meetings of the board of directors  
17 are governed by the provisions of AS 44.62.310 and 44.62.312; in all  
18 other respects the Administrative Procedure Act (AS 44.62) does not  
19 apply to this chapter.

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

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

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

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

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

29 (d) The board shall make available to members of the public copies

1 of the corporation's regulations and shall file copies of the regula-  
2 tions in the office of the lieutenant governor within 10 days following  
3 any action taken on the regulations.

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

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

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

19 (d) The members of the advisory board serve at the pleasure of the  
20 board of directors without compensation, but shall be reimbursed for  
21 their actual and necessary expenses incurred in the performance of their  
22 duties as members of the board.

23 (e) No municipality or state agency may terminate a person's  
24 employment based solely upon the person's service on the advisory board.

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

- 28 (1) sue and be sued;  
29 (2) adopt and alter an official seal;

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

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

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

16 (6) acquire, hold, use, lease, sell or otherwise dispose of  
17 property of any kind, real, personal or mixed, or any interest in it;

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

24 (8) prepare or contract for the preparation of studies,  
25 analyses, specifications, designs and estimates of cost for the con-  
26 struction, development, reconstruction or improvement of any property  
27 within the capital city area;

28 (9) manage or contract for the management of all or any part  
29 of a development program or programs;

1 (10) open or close streets, and other public rights-of-way and  
2 provide for facilities or services in connection with any development  
3 program;

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

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

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

24 (14) survey the real property within the capital city area;  
25 undertake geological, environmental and other similar studies and anal-  
26 yses of the property; and gather and disseminate all relevant informa-  
27 tion pertaining to the suitability of any portion of the capital city  
28 area for various land uses;

29 (15) make contracts, incur liabilities, borrow money at rates

1 of interest, maturities and on other terms and conditions that the  
2 corporation may determine without regard to usury laws; issue its notes,  
3 bonds and other obligations, whether negotiable or not, and whether tax  
4 exempt or not; and secure any of its obligations by mortgage or pledge  
5 of all or any of its real or personal property or any interest in the  
6 property, whether then owned or thereafter acquired;

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

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

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

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

21 (20) issue, in accordance with regulations adopted under this  
22 chapter, building, use and occupancy permits and compliance certificates  
23 or approvals;

24 (21) subject to any agreement with noteholders or bondholders,  
25 enter into agreements to pay annual sums in lieu of taxes to the capital  
26 city in respect of any real property which is owned by the corporation  
27 and which is exempt from taxation under this chapter; and

28 (22) do any and all things necessary or convenient to carry  
29 out the purposes of this chapter and exercise the powers granted in this

1 chapter.

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

4 Sec. 44.63.130. FORMULATION AND PROCEDURE FOR OBTAINING APPROVAL  
5 OF DEVELOPMENT PLANS. (a) The corporation shall prepare a general  
6 development plan for the capital city area. The general development  
7 plan shall be based on the initial and proposed overall site specific  
8 development plan submitted to the legislature by the New Capital Site  
9 Planning Commission under AS 44.06.230(j), and, in addition, shall  
10 include but not be limited to the following elements:

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

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

27 (3) a statement of the approximate projected time schedule  
28 for the stages of development of the capital city area, both as to  
29 various parts of the capital city area and as to the various types or

1 categories of land uses proposed;

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

6 (5) additional statements or documentation as the corporation  
7 considers necessary or appropriate.

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

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

23 (d) Following the completion of public hearings, the board of  
24 directors shall adopt the general development plan, which may be ap-  
25 proved with or without amendment from the proposed general development  
26 plan, by at least two-thirds vote of all of the members of the board and  
27 upon a finding that the general development plan is in accordance with  
28 and furthers the purposes of this chapter. The general development plan  
29 as so adopted shall constitute the controlling document and land use

1 plan setting out the major planning assumptions and objectives for the  
2 development of the capital city area and shall be effective on the date  
3 the board determines.

4 (e) Amendments to the general development plan may be made under  
5 the same procedure set out in this section for approval of a general  
6 development plan, except that the board of directors shall hold at least  
7 one public hearing with respect to any amendment, publish notice of a  
8 proposed amendment as it considers appropriate and invite written com-  
9 ments on it, before adoption of an amendment. Amendments to the general  
10 development plan shall be effective on the date the board determines.

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

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

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

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

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

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

25 (6) a statement of the relationship between the specific  
26 development plan and the general development plan; and

27 (7) additional statements or documentation as the board  
28 considers necessary or appropriate.

29 (b) Each specific development plan shall be approved or amended by

1 the board of directors and shall constitute the controlling document and  
2 land use plan for the area to be developed. In acting upon a proposed  
3 specific development plan, the board of directors shall be guided by the  
4 purposes of this chapter and particularly

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

16 (2) the location and adequacy of all streets and highways,  
17 transportation facilities, public utilities, community and recreational  
18 facilities, and all public services necessary to serve the land uses  
19 contemplated by the specific development plan;

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

23 Sec. 44.63.150. RELATIONSHIP OF CORPORATION, THE STATE AND MUNI-  
24 CIPALITIES. (a) In carrying out the purposes of this chapter, the  
25 corporation shall work closely with, consult and cooperate with the  
26 state, the Matanuska-Susitna Borough, and the capital city, and their  
27 departments, agencies or instrumentalities.

28 (b) All state agencies and all municipalities shall fully co-  
29 operate with the corporation and may extend to the corporation, with or

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

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

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

23 (e) The corporation, on behalf of itself or in its own name on  
24 behalf of any person performing work in connection with the general  
25 development plan, may file a master application as provided in AS 46.-  
26 35.030 in order to obtain required permits. Upon filing a master ap-  
27 plication the corporation shall submit a schedule setting out the date  
28 before which each permit required must be issued in order to allow work  
29 to proceed in accordance with the general development plan. Each permit