

LEG. FINANCE - BILLS 1985 - 1986 2390

HB 248 - HB 373 2390

Original sponsors: Shultz, Sund,
M.M. Miller and Marrou

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 248 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to leases on certain land formerly
7 described as university-grant land; and providing for
8 an effective date."

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

10 * Section 1. (a) A person and the assignee of a person who was a
11 lessee of university-grant land on June 17, 1983, and whose lease is
12 managed by the Department of Natural Resources on the effective date of
13 this Act and is in good standing, may apply to purchase the land and re-
14 quest the commissioner of natural resources to

15 (1) issue a quitclaim deed conveying the land; or

16 (2) transfer the land under a contract of sale under AS 38.-
17 05.065.

18 (b) Except as provided in (c) of this section, a lessee who holds a
19 lease of former university-grant land under AS 38.05.070 may purchase the
20 land for the lower of

21 (1) the appraised fair market value of the land under the lease
22 as specified in Appendix F of the Settlement Agreement between the Depart-
23 ment of Natural Resources, the Department of Revenue, the Department of
24 Administration, and the University of Alaska and its Board of Regents as
25 trustee for the University of Alaska as ratified in ch. 22, SLA 1983; or

26 (2) its appraised fair market value under the lease on June 17,
27 1983, as determined under AS 38.05.085(b).

28 (c) A lessee who holds a lease of former university-grant land that
29 is amended under AS 38.05.085(a) may purchase the land for the lower of

1 (1) the appraised fair market value of the land under the lease
2 as the value has been determined under Paragraph 15 of the Settlement
3 Agreement between the Department of Natural Resources, the Department of
4 Revenue, the Department of Administration, and the University of Alaska and
5 its Board of Regents as trustee for the University of Alaska as ratified in
6 ch. 22, SLA 1983; or

7 (2) its appraised fair market value under the lease on June 17,
8 1983, as determined under AS 38.05.085(b).

9 (d) A lessee who holds a lease of former university-grant land that
10 is classified as agricultural land may purchase the land under (b) or (c)
11 of this section subject to AS 38.05.321(a).

12 (e) An application to purchase under (b) and (c) of this section
13 constitutes a relinquishment of rights under the lease on

14 (1) the issuance of a quitclaim deed by the state; or

15 (2) the execution of a contract of sale under AS 38.05.065.

16 (f) Within 90 days after the effective date of this Act, the commis-
17 sioner of natural resources shall advise each lessee who may have rights
18 under this section of the enactment of this section.

19 (g) A lessee of former university-grant land who does not give the
20 commissioner of natural resources notice of an intent to purchase within
21 180 days after receiving the notice of rights provided for in (f) of this
22 section may purchase the former university-grant land for its appraised
23 fair market value at the time the notice of an intent to purchase is given.

24 (h) A lessee qualified to purchase under (b) or (c) of this section
25 may tender the commissioner an amount equal to five percent of the purchase
26 price determined under (b)(1) or (c)(1) of this section and purchase the
27 land under AS 38.05.065.

28 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
29 10.070(c).

FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CHB 248 (FIN)
 Title: University grant land leases

FISCAL DETAIL

Agency Affected: Natural Resources
 Program Category Affected: NRMEC

Sponsor: Shultz
 Requestor: _____
 Date of Request: _____

BRU, Program or Subprogram(s) Affected: _____
Land and Water Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

No fiscal impact.

Prepared By: Ned Farquhar
 Division: Commissioner's Office

Phone: 465-2400
 Date: 22 March 1985

Approved by Commissioner: Mark D Arnold, Deputy
 Agency: Natural Resources

Date: 22 March 1985

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

Offered: 3/25/85
Referred: Finance

REVISED PROPOSED
AMENDMENTS FROM
DNR

Original sponsors: Shultz, Sund,
M.M. Miller and Marrou

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2

CS FOR HOUSE BILL NO. 248 (Resources)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to leases on certain land formerly
7 described as university-grant land; and providing for
8 an effective date."

9

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

10

* Section 1. (a) ^{Within one year of the passage of this act,} ~~A~~ person and the assignee of a person who was a
11 lessee of university-grant land on June 17, 1983, and whose lease ^{is, on} ~~is,~~ ^{in good standing as} ~~on~~

12

the effective date of this Act, managed by the Department of Natural Re-
13 sources may ^{apply to purchase the land and} ~~request~~ the commissioner of natural resources to issue a
14 quitclaim deed conveying the land.

15

(b) Except as provided in (c) of this section, a lessee who holds a
16 lease of former university-grant land under AS 38.05.070 may ^{relinquish the lease and} ~~purchase~~ the
17 land for the lower of

18

(1) the appraised fair market value of the land under the lease

19

as specified in Appendix F of the Settlement Agreement between the Depart-
20 ment of Natural Resources, the Department of Revenue, the Department of
21 Administration, and the University of Alaska and its Board of Regents as

22

trustee for the University of Alaska as ratified in ch. 22, SLA 1983; or

23

(2) its appraised fair market value on June 17, 1983, as de-

24

termined under AS 38.05.085(b).

25

(c) A lessee who holds a lease of former university-grant land that
26 was subject to reappraisal under AS 38.05.085(a) may ^{relinquish the lease and} ~~purchase~~ the land for

27

the lower of

28

(1) the appraised fair market value of the land under the lease

29

as the value has been determined under Paragraph 15 of the Settlement

1 Agreement between the Department of Natural Resources, the Department of
2 Revenue, the Department of Administration, and the University of Alaska and
3 its Board of Regents as trustee for the University of Alaska as ratified in
4 ch. 22, SLA 1983; or

5 (2) its appraised fair market value under the lease on June 17,
6 1983, as determined under AS 38.05.085(b).

7 (d) A lessee on the effective date of this Act who was a lessee on
8 June 17, 1983, and who would have been entitled to rights under former
9 AS 38.05.058 before its repeal may exercise those rights in a purchase
10 under (b) or (c) of this section.

11 (e) A lessee who holds a lease of former university-grant land that
12 is classified as agricultural land may purchase the land under (b) or (c)
13 of this section subject to AS 38.05.321(a).

14 (f) ^{Within 90 days of the passage of this act} The commissioner of natural resources shall advise each lessee
15 who may have rights under this section of the enactment of this section.

16 (g) A lessee of former university-grant land who does not give the
17 commissioner of natural resources notice of an intent to purchase within
18 180 days after receiving the notice of rights provided for in (f) of this
19 section may purchase the former university-grant land for its appraised
20 fair market value at the time the notice of an intent to purchase is given.

21 (h) A purchase of land under this section extinguishes all rights and
22 claims arising out of the lease against the state by a lessee.

23 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
24 10.070(c).

→ (i) A lessee who meets the provisions of this act
may tender the commissioner an amount equal to
five percent of the purchase price and purchase the
land under AS 38.05.065.

**STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date: April 22, 1985

*Rec'd
4-25-85*

REQUEST

Bill/Resolution No.: HB 248
Title: Pelican Land Grant

FISCAL DETAIL

Agency Affected: Natural Resources
Program Category Affected: NRMEC

Sponsor: Grussendorf
Requestor: House Finance
Date of Request: April 20, 1985

BRU, Program or Subprogram(s) Affected:
Land and Water Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						(202.5)

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

The Department projects an eventual loss of revenues that might have accrued from the sale of this land, currently estimated to be worth about \$202,500. However, the land could not be sold for at least three years because it has not been considered for disposal in the Land Availability Determination System (LADS). Thus the revenue loss is projected for FY 90 or beyond.

Prepared By: Ned Farguham Phone: 465-2400
Division: Commissioner's Office Date: April 22, 1985

Approved by Commissioner: Wmmt J Amos, Deputy Date: April 22, 1985
Agency: Natural Resources

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

ATTACHMENT #1

STATE - UNIVERSITY / LEASES

BACKGROUND:

University Trust Lands were Leased by the State, Division of Lands, during the period 1960 to 1975, as Long Term 55yr., Renewable Leases. From 1975-1977 Lessees of All State Land, (Mental Health, School, University, etc.), were appealing absorbitant rental increases, resulting in the Legislature passing New Lease, Amendment Laws in 1977, 1978, (repealing the former Disposal/Lease Laws), providing an option to "Request Conversion, prior to January 1, 1979", of State Leases in effect on or before June 23, 1977, under the "New Laws"; thereby, was to follow an executed Lease amendment. At that time All Leases of State-owned land, including Mental Health, School, Municipality, etc., were amended, and Leaseholder's were permitted to buy their lands at the amended Lease Appraisal Valuation.

With rare exception, by early 1978, University Land Leases were not amended, even though the Lessees filed Lawful "Conversion Requests", (nor allowed to be sold to an applicant) because the University objected, "At its meeting February 15-16, 1978, the Board of Regents declined to approve conversion of Leases", although dictated by the State Statutes.

The University filed a lawsuit on April 23, 1979 vs the State, "alleging mismanagement", also filing a Lis-pendens on all University Trust Land, (including Leased Land, and "some" other land, not belonging to the University). They sought an injuction to stop Lease Conversions, (Amendments), Lease Renewal, or any Dispoal thereof, seeking ultimate management of all University Lands. The State sought to enjoin the Lessees as defendants in the Suit; But failed to show the Court how Third Party Lessee's would be damaged. In February, 1981, the Supreme Court ruled that the "State, not the University, owned th Land and could dispose of it only by law, and only the Legislature makes the Law".

XXX On March 11, 1982, the State and University entered into a tentative, (without prejudice), "Settlement Agreement", subject to ratification by the Legislature. Whereby: Compensation for Damages by the State would be paid; Leases were agreed to be binding, and management would be continued by the State, until transfer was requested by the University; Lease Conversion, (Amendments) could finally be completed; All University Lands would be conveyed to the University by the State, except any "unduly encumbered land, including any Lease's" the University elected not to retain, which would be replaced by other State land. Legislative concurrance and the Governors approval finally occurred on June 17, 1983, thru passage of SB 41. During this time Leaseholders complained to Legislators of their ongoing plight, and the Unversity decided to give up ALL Leased Land to the State, and to speed up the schedule of reconveyance of Leases. Thru all this time the Lis-pendens has remained, until the final reconveyance.

XXX In the meantime, following the March 11, 1982, tentative "Settlement Agreement", the Division of Lands started processing University Lease (Amendments), which still remained unexecuted by the Lessor and Lessee, subsequent to the "Conversion Request" Agreement (to Amend), previously entered into by the Lessee and the State prior to 1-1-79. The old 1977, 1978 paperwork was dug out, completely ignoring a Lease Conversion Amendment to the 1977, 1978 Lease Conversion Laws enacted in 1981, (SLA 113, Sec.44.), and made effective retroactively to July 18, 1978. THREE different Conversion Law provisions could now apply; per the "REQUEST" Agreement, Stipulating Provisions/Instructions on back.

(1) 1977 Conversion Law created "New" lease, (rental) based on last appraisal prior to 1-1-75 brought forward to 1-1-76 @ 10% a year, or, if leased after 1-1-75 @ the original lease rate.

(2) 1978 Conversion Law "Amends" lease, (rental) based on last appraisal prior to 1-1-75 brought forward to 1st quarter following request @ 10% a year, or, if leased after 1-1-75 @ the original leased rate". (SLA 182, Sec.21. "If leased after 1-1-75 a New lease is the fair market value brought forward to conversion date @ 10% per year).

(3) 1981 (SLA 113, Sec.44., Retroactive to 7-18-78) Conversion Law "Amends" lease, (rental) based on last appraisal prior to 1-1-74 brought forward to 1st quarter following request @ 10% a year, or, if leased after 1-1-74 @ 10% per year to date of request.

XXX "A YEAR" is compounded; XXX "PER YEAR" is straight Annual Interest.

The Division of Lands, offered only ONE provision to all University Land Lessee's, which included AGREEING to NOW execute a Lease Amendment (@ approximately Double the current rental rate), unnecessarily back-dating the Amendment, retroactively to 1979, or earlier; Also, demanding the immediate payment of a retroactive Compounded rental rate increase, (Lessee's had never been notified of any "additional", accruing, rental-billing, prior to this demand). The Lessee's were forced to pay-up, or supposedly "lose their rights" under the provisions of the "Amended Lease Law" now in effect.

ISSUES:

Since the Lessee's were innocent Third Parties to the lawsuit between the University and the State, and the land was in limbo, the Lessee's feel the inequity they suffered was a gross injustice, which they had no control over. The only thing Lessee's could do during this period, was pay the Lease expenses, and the Taxes, and pray for a just outcome. In the interim: Lessee's lost the opportunity to utilize their Residency Credits, for purchase of their Leased Land; They had to forestall plans for building, improving, or even retiring. Some have died; and some just gave up!

Since it has been the policy of the State to dispose of lands to its citizens, allowing a preference right to Leaseholders; due to the forestated circumstances, it is respectfully requested the State agree "It is in the best interest of the State" to offer to sell its Equity in these leased lands to the present Lessee's, under an equitable, applicable Preference Right Statute, such as AS 38.05.035(b)2.

FOLLETT & ASSOCIATES

4141 B Street, Suite 402, Anchorage, Alaska 99503 (907) 562-4279



Richard H. Follett, MAI
Eric G. Follett, MAI

February 18, 1985

Ms. Bev Aleck
2524 Redwood
Anchorage, Alaska 99504

Regarding: Former University of Alaska Lands leased
by the State of Alaska.

Dear Ms. Aleck:

The following letter sets forth the terminology, definitions and appraisal practices used in valuing real estate, when the property is affected by a lease. The eighth edition of The Appraisal of Real Estate, published by the American Institute of Real Estate Appraisers states, "The bundle of rights Theory holds that total real property ownership, or title in fee, includes several distinct rights, each of which can be separated from the bundle and conveyed by the fee owner to other parties in perpetuity or for limited time periods. When a right is separated from the bundle and transferred, a partial, or fractional property interest is created.

"Lease practice is one practical application of the Bundle of Rights Theory. An owner of the total bundle (a lessor) may convey to a tenant (a lessee) rights to use and occupy a property for a fixed time period. In return, the tenant assumes an obligation to pay an agreed upon periodic rent."

It goes on to say that, "A leasehold interest is said to have value when contract rent is less than market rent, which is the amount a property could earn in a competitive real estate market. Market rent is not profit from a business operated on the premises. It is the rent the real estate could command in the market. In a perfectly negotiated lease, contract rent would probably not differ from market rent. When market rent exceeds contract rent, the leasehold interest acquires value."

Under the Canons and Regulations of the American Institute of Real Estate Appraisers, it would be unethical for an appraiser to render an opinion of market value for a property, and not take into consideration the effect of any leases on that property. If the tenant had a favorable lease at below market rent, whereby a leasehold interest existed, the market value of the property would be of the leased fee estate, which can be found by deducting the value of the leasehold interest from the total property value in fee simple. It would be unethical for the appraiser to merely value the property in fee simple and not take into account a favorable lease creating a leasehold interest by the lessee.

REAL ESTATE APPRAISERS • CONSULTANTS • MARKET ANALYSTS

At this point it may be helpful to define some of the terms used in this letter:(1)

- Lessor - One who holds title and conveys the right to use and occupy a property under a lease agreement.
- Lessee - One who possesses the right to use or occupy a property under lease agreement.
- Lessor's Interest - Leased Fee Interest - The present (discounted) value of the contract (lease) rents in addition to the present (discounted) value of the reversion (a leased fee).
- Lessee's Interest - The market value of the property less the value of the lessor's interest.
- Leasehold Value - The value of the leasehold interest; that is, the right to the use, enjoyment and profit existing by virtue of the rights granted under a lease instrument. The value of the leasehold interest is the present (discounted) worth of the rent saving, when the contractual rent at the time of appraisal is less than the current market rent.
- Reversion - The returning of an item of real estate to its grantor, such as the return of the future use of real estate to a lessor at the expiration of the lease controlling it.

In the case of the University of Alaska Lands, which were leased by the State of Alaska, these properties all have an existing valid lease which must be taken into consideration when an appraiser estimates the current market value of the property. The State of Alaska is the lessor and owns the leased fee interest, which is the right to receive rent and to get the property back at the end of the lease.

The individual leaseholders own the leasehold interest, which is the right to use the property for a specific period of time, and may include improvements to the property or subleasing.

- (1) Definitions are from the Appraisal Terminology and Handbook, published by the American Institute of Real Estate Appraisers.

Most of the University Land Leases were made in the early 1970's, and contain a clause allowing the lease payment to be increased to market rent upon reappraisal every five years. They were 55 year leases with an option to renew the lease for an additional 55 years at market rent.

In the late 1970's the State offered a conversion program whereby the lessees could convert the lease to a level payment, 25-year lease, after which the lease payment could be increased on every ten year anniversary, but the lease payment could not be greater than 150% of the payment during the previous 10 year period.

In all the instances reviewed by the appraiser, this created a substantial leasehold interest for the lessees.

The State of Alaska is now offering to sell the properties to the leaseholders. Since the properties are affected by valid leases, and the lessees have a saleable leasehold interest, the market value of the portion of the property owned by the State of Alaska is the leased fee interest.

In the Addenda of this letter, is an example analysis of a leased property which has been patterned after an actual leasehold under consideration. The assumptions in this example are as follows:

Current Land Value: \$280,000 (160 acres @ \$1,750/acre)
Beginning of Lease: 7/23/74
End of Lease: 7/23/2029
Lease Term: 55 years
Option: Additional 55 years at market rent.
Lease Rate: 25-year level payment at \$950 per quarter beginning 1/23/78. The lease rate may increase up to 50% of the previous period every 10 years.

A survey of land leases in the market indicates that land lease rates for this type property would be about 8% of value annually. This would indicate a quarterly lease payment of \$5,600 ($.08 \times \$280,000 \div 4 = \$5,600$). The lessee has a substantial leasehold advantage of \$4,650 per quarter (\$5,600 less \$950 equals \$4,650). A typical investor would expect this property to increase in value approximately 70% every 10 years. For example, a property valued at \$20,000 today would be worth \$34,000 ten years hence. Thus, the lease advantage will increase over time, since the lease payment is level for 25 years and then only can be increased 50% every 10 years.

The lease goes to market rent at the beginning of the option period during the 55-year option. Therefore, the lessee's leasehold interest is calculated for only the initial 55 year term of the lease.

The underlying logic for estimating the market value of the leasehold interest, or the leased fee interest, is that a person would not pay a dollar today for a dollar received in the future. The difference in the amount paid is reflected by the discount rate, or interest rate.

Addendum A represents the calculations for a leased fee interest where the property is leased under the above terms and conditions, except the lease payment is at market rent and can be increased every 10 years. It shows that the present value of the discounted lease payments at 12% interest, plus the present value of the reversion of the property at 12% interest equals the present value of the property in fee simple. This calculation is used to check the assumptions and discount rates to make sure the discounted cash flows of the model equals the current fee simple market value of the property.

Addendum B shows the calculations for the leased fee interest using the discount rates from the model and applying the terms and conditions of the lease to this property. This example shows the leased fee interest has a current value of \$50,733. This is the State of Alaska's Leased Fee Interest. Subtracting this amount from the value in fee simple of \$280,000 indicates that the leasehold interest is worth \$229,267.

As a check against these calculations, the appraiser can also estimate the value of the leasehold interest directly. It is based on the discounted cash flow of the rental advantage from the lease. During each time period, the rental advantage between market rent and the rent stated in the contract is discounted to present value.

Addendum C summarizes these calculations, indicating a total leasehold interest based on the above lease information and assumptions, of \$228,470. Adding the estimated value of the leased fee interest yields a total property value estimate of \$279,203, ($\$228,470 + \$50,733 = \$279,203$) which is very close to the current market value of the property (\$280,000).

It is the appraiser's hope that the example outlined in the Addenda will help clarify the University Land Leasehold situation and help identify the proper procedure to estimate the current market value of a property involving a lease. This paper shows the method of valuing both a Leased Fee Interest and the Leasehold Interest.

It is interesting to note that in this example, if the lease continues, the State of Alaska will receive a total of \$294,262 in lease payments, plus the right to get back the property (the reversion) at the end of the lease, at which time the property will have appreciated to an estimated value of \$2,970,000.

Alternately, if the State of Alaska sells its Leased Fee Interest for \$50,733 (see Addendum B), and puts the money in an account receiving 10% interest compounded monthly, the investment would grow to \$4,265,000 by the end of the lease (7/23/2029).

I would like to reemphasize that when a property is appraised for "Fair Market Value" and there is an existing lease, the appraiser must analyze the lease, and appraise the Leased Fee Interest (sometimes called Leased Fee Estate).

If we can be of any further help to you regarding the analysis of leases, please call us.

Sincerely yours,
FOLLETT & ASSOCIATES



Eric G. Follett, MAI

ADDENDUM A

Leased Fee Interest Calculations - at Market Rents

As a check of the model, if we apply a market rent to the lease of a \$280,000 property. The Present Worth of the lease payments and reversion should equal today's market value of the property.

Annual market rent would be 8% of land value (8% x \$280,000 = \$22,400), or \$5,600 quarterly. An investor would also expect land values to increase 70% every 10 years, which would also increase the rent 70% every 10 years.

1st Period - 1/23/85 to 1/23/95

The Present Worth Factor for 40 quarters at 12% interest is 23.808 (from Compound Interest Tables).
The lease rate is \$5,600

$$\$5,600 \times 23.808 = \$133,326$$

2nd Period - 1/23/95 to 1/23/2005

The Present Worth Factor for 40 quarters, deferred 40 quarters at 12% interest is (31.107 - 23.808) = 7.299
The lease rate can be increased by 70% to \$9,520.

$$\$9,520 \times 7.299 = \$69,486$$

3rd Period - 1/23/2005 to 1/23/2015

The Present Worth Factor for 40 quarters, deferred 70 quarters at 12% interest is (33.344 - 31.107) = 2.237.
The lease rate can be increased by 70% to \$16,184.

$$\$16,184 \times 2.237 = \$36,204$$

4th Period - 1/23/2015 to 1/23/2025

The Present Worth Factor for 40 quarters, deferred 120 quarters at 12% interest is (34.030 - 33.344) = .686.
The lease rate can be increased 70% to \$27,513.

$$\$27,513 \times .686 = \$18,874$$

5th Period - 1/23/2025 to 7/23/2029

The Present Worth Factor for 18 quarters, deferred 160 quarters at 12% interest is (34.155 - 34.030) = .125.
The lease rate can be increased 70% to \$46,771.

$$\$46,771 \times .125 = \$5,846$$

Present Worth of Market Lease Payments \$263,736

Present Worth of Reversion

The estimated land value in year 2029 is \$2,970,000, which reflects a 70% increase in land value every 10 years, simple interest.

Present Worth Factor for \$1.00 received after 178 quarters at 12% annual interest is .0052

$$\$2,970,000 \times .0052 = +15,444$$

Total Indicated Present Value of Lease Payment and Reversion \$279,180

The model checks, since this is equal to the current value of the property in fee simple interest.

ADDENDUM B

Leased Fee Interest Calculations - Based on the Lease Terms

The "converted" lease states the quarterly rent on this property is \$950 until 1/23/2003. The payment can then be increased up to 50% every 10 years.

1st Period - 1/23/85 thru 1/23/2003

The Present Worth Factor for 72 quarters at 12% interest is 30.246. The current lease rate is \$950 per quarter.

$$\$950 \times 30.246 = \$28,734$$

2nd Period - 1/24/2003 thru 1/23/2013

The Present Worth Factor for 40 quarters, deferred 72 quarters at 12% interest is $(33.080 - 20.246) = 2.834$. The lease rate can be a maximum of \$950 plus 50%, or \$1,425.

$$\$1,425 \times 2.834 = \$4,038$$

3rd Period - 1/24/2013 thru 1/23/2023

The Present Worth Factor for 40 quarters, deferred 112 quarters at 12% interest is $(33.949 - 33.080) = .869$. The lease payment can be a maximum of \$1,425 plus 50%, or \$2,137.50

$$\$2,137.50 \times .869 = \$1,857$$

4th Period - 1/24/2023 thru 7/23/2029

The Present Worth Factor for 26 quarters, deferred 152 quarters at 12% interest is $(34.155 - 33.949) = .206$. The lease payment can be a maximum of \$2,137.50 plus 50%, or \$3,206.25.

$$\$3,206.25 \times .206 = \$660$$

Present Value of Lease Payment \$35,289

Reversion

At the end of the 55 year lease the leaseholder has the option of renewing the lease for another 55 years, but the lease payment can be increased to market rent. Thus, the appraiser assumes that the leaseholder would no longer have a leasehold interest at that point, and the value of the Leased Fee Interest would equal the value of the Fee Simple Interest. The estimated value of the property in the year 2029 is \$2,970,000, which reflects a 70% increase in land value every 10 years.

Present Value of Reversion

Present Worth Factor for \$1 received after 178 quarters at 12% annual interest is .0052.

$$\$2,970,000 \times .0052 = \$15,444$$

Total Estimated Market Value of Leased Fee Interest \$50,733

Note: This represents the market value of the State of Alaska's Leased Fee Interest in the property.

ADDENDUM C

Leasehold Interest Calculations

Based on Lease Terms and Investor Expectations in Market

Period - 1/23/85 thru 1/23/95

PW of the rental advantage of \$4,650 (\$5,600 - \$950)
per quarter for 40 quarters discounted at 12% interest.
The Factor is 23.808

\$4,650 x 23.808 = \$110,708

Period - 1/23/95 thru 1/23/2003

Present Worth of the Rental Advantage of \$8,570
(\$9,520 - \$950) discounted at 12% interest for
32 quarters, deferred 40 quarters. The Factor
is 30.246 - 23.808 = 6.438

\$8,570 x 6.438 = \$ 55,174

Period - 1/23/2003 thru 1/23/2005

Present Worth of the Rental Advantage of \$8,095
(\$9,520 - \$1,425) discounted at 12% interest for
8 quarters, deferred 72 quarters.
The Factor is 31.107 - 30.246 = .861

\$8,095 x .861 = \$ 6,968

Period - 1/23/2005 thru 1/23/2013

Present Worth of the Rental Advantage of \$14,759
(\$16,184 - \$1,425) discounted at 12% interest
for 32 quarters, deferred 80 quarters.
The Factor is 33.080 - 31.107 = 1.973

\$14,759 x 1.973 = \$29,125

Period - 1/23/2013 thru 1/23/2015

Present Worth of the Rental Advantage of \$14,046
(\$16,184 - \$2,138) discounted at 12% interest
for 8 quarters, deferred 112 quarters.
The Factor is 33.344 - 33.084 = .264

\$14,046 x .264 = \$ 3,711

Period - 1/23/2015 thru 1/23/2023

Present Worth of the Rental Advantage of \$25,375
(\$27,513 - \$2,138) discounted at 12% interest
for 32 quarters, deferred 120 quarters.
The Factor is 33.949 - 33.344 = .605

\$25,375 x .605 = \$15,357

Period - 1/23/2023 thru 1/23/2025

Present Worth of the Rental Advantage of \$24,307
(\$27,513 - \$3,206) discounted at 12% interest
for 8 quarters, deferred 152 quarters.
The Factor is 34.030 - 33.949 = .081

\$24,307 x .081 = \$ 1,972

Period - 1/23/2025 thru 1/23/2029

Present Worth of the Rental Advantage of \$43,565
(\$46,771 - \$3,206) discounted at 12% interest
for 18 quarters, deferred 160 quarters.
The Factor is 34.155 - 34.030 = .125

\$43,565 x .125 = + \$ 5,455

Total Discounted Present Value of Leasehold Interest \$228,470

Add: Leased Fee Interest +50,733

TOTAL of Leasehold and Leased Fee Interests \$279,203

Note: This is equal to the value in Fee Simple of \$280,000, which provides a check against the assumptions and calculations.

APPRAISER'S QUALIFICATIONS

ERIC G. FOLLETT, MAI

American Institute of Real Estate Appraisers, Designation — MAI



EDUCATION

College: B.S. in Mathematics, University of Washington, 1973

Courses: American Institute of Real Estate Appraisers:

AIREA Course IA - Seattle Pacific, 1974

AIREA Course IB - University of Portland, 1977

AIREA Course II - University of Colorado, 1978

AIREA Course IV - Litigation - U. of Portland, 1980

BUSINESS EXPERIENCE

Appraiser - FOLLETT & ASSOCIATES, Anchorage, AK, 1/77 to present

Appraiser - ERICKSON & ASSOCIATES, Anchorage, AK, 4/75 to 7/81

Programer/Analyst - SAFECO INSURANCE CO., Seattle, WN, 3/73 to 4/75

SCOPE OF ASSIGNMENTS

Appraisals of commercial property, office buildings, medical buildings, industrial buildings, residential, special use properties and vacant land. Feasibility studies, and Consulting. Qualified as an expert witness. Assignments located in Municipality of Anchorage, Matanuska-Susitna Borough, Kenai Borough, Valdez, Cordova, Seward, Kodiak, Bethel, Dutch Harbor, Juneau, Haines, Sitka, and numerous "Bush Communities".

MAJOR ASSIGNMENTS (over \$1,000,000)

Jewel Lake Shopping Center & Bowling Alley, Anchorage
Alaska Hospital & Professional Building, Debarr Rd., Anchorage
Eastgate Shopping Center, Boniface Parkway, Anchorage
"Alyeska" Office Building Complex, Bragaw Street, Anchorage
Viewpoint Subdivision - 128 Lots
Bowling Alley and Bar, Sitka, Alaska
Vagabond Mobile Home Park, Anchorage, Alaska
Medical Clinic, Anchorage, Alaska
"Cottonwood Village" Condominiums - 104 Units
Wasilla Business Park, Wasilla, Alaska
Apartment Complex - 24-unit, Kenai, Alaska

TYPICAL CLIENTELE

All major Banks in Alaska
Carr-Gottstein Properties
Jack White Company
Area Realtors
Bureau of Land Management
Hines Investments
State of Alaska Division of Parks

Alaska State Housing Authority
Calista Native Corporation
Kuskokwim Management Corp.
Parker Drilling Company
Union Oil Company
Professional Contractors
U.S. Postal Service

Offered: 3/25/85
Referred: Finance

Original sponsors: Shultz, Sund,
M.M.Miller and Marrou

1 IN THE HOUSE BY THE RESOURCES COMMITTEE
2 CS FOR HOUSE BILL NO. 248 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to leases on certain land formerly
7 described as university-grant land; and providing for
8 an effective date."

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

10 * Section 1. (a) A person and the assignee of a person who was a
11 lessee of university-grant land on June 17, 1983, and whose lease is, on
12 the effective date of this Act, managed by the Department of Natural Re-
13 sources may request the commissioner of natural resources to issue a
14 quitclaim deed conveying the land.

15 (b) Except as provided in (c) of this section, a lessee who holds a
16 lease of former university-grant land under AS 38.05.070 may purchase the
17 land for the lower of

18 (1) the appraised fair market value of the land under the lease
19 as specified in Appendix F of the Settlement Agreement between the Depart-
20 ment of Natural Resources, the Department of Revenue, the Department of
21 Administration, and the University of Alaska and its Board of Regents as
22 trustee for the University of Alaska as ratified in ch. 22, SLA 1983; or

23 (2) its appraised fair market value on June 17, 1983, as de-
24 termined under AS 38.05.085(b).

25 (c) A lessee who holds a lease of former university-grant land that
26 was subject to reappraisal under AS 38.05.085(a) may purchase the land for
27 the lower of

28 (1) the appraised fair market value of the land under the lease
29 as the value has been determined under Paragraph 15 of the Settlement

1 Agreement between the Department of Natural Resources, the Department of
2 Revenue, the Department of Administration, and the University of Alaska and
3 its Board of Regents as trustee for the University of Alaska as ratified in
4 ch. 22, SLA 1983; or

5 (2) its appraised fair market value under the lease on June 17,
6 1983, as determined under AS 38.05.085(b).

7 (d) A lessee on the effective date of this Act who was a lessee on
8 June 17, 1983, and who would have been entitled to rights under former
9 AS 38.05.058 before its repeal may exercise those rights in a purchase
10 under (b) or (c) of this section.

11 (e) A lessee who holds a lease of former university-grant land that
12 is classified as agricultural land may purchase the land under (b) or (c)
13 of this section subject to AS 38.05.321(a).

14 (f) The commissioner of natural resources shall advise each lessee
15 who may have rights under this section of the enactment of this section.

16 (g) A lessee of former university-grant land who does not give the
17 commissioner of natural resources notice of an intent to purchase within
18 180 days after receiving the notice of rights provided for in (f) of this
19 section may purchase the former university-grant land for its appraised
20 fair market value at the time the notice of an intent to purchase is given.

21 (h) A purchase of land under this section extinguishes all rights and
22 claims arising out of the lease against the state by a lessee.

23 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
24 10.070(c).

Introduced: 3/1/85
Referred: Resources and
Finance

1 IN THE HOUSE

BY SHULTZ, SUND, M.M. MILLER
AND MARROU

2

HOUSE BILL NO. 248

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to leases on certain land formerly
7 described as university-grant land; and providing for
8 an effective date."

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

10 * Section 1. (a) A person and the assignee of a person who was a
11 lessee of university-grant land on June 17, 1983, and whose lease is, on
12 the effective date of this Act, managed by the Department of Natural Re-
13 sources may request the commissioner of natural resources to issue a patent
14 to the land.

15 (b) A lessee who holds a lease of former university-grant land under
16 AS 38.05.070(c) may purchase the land for the lower of

17 (1) the appraised fair market value of the land as it is set out
18 in Appendix F of the Settlement Agreement between the Department of Natural
19 Resources, the Department of Revenue, the Department of Administration, and
20 the University of Alaska and its Board of Regents as trustee for the Uni-
21 versity of Alaska as ratified in ch. 22, SLA 1983; or

22 (2) its appraised fair market value on June 17, 1983, as de-
23 termined under AS 38.05.085(b).

24 (c) A lessee who holds a lease of former university-grant land under
25 AS 38.05.085(a) may purchase the land for the lower of

26 (1) the appraised fair market value of the land under the lease
27 as the value has been determined under Paragraph 15 of the Settlement
28 Agreement between the Department of Natural Resources, the Department of
29 Revenue, the Department of Administration, and the University of Alaska and

1 its Board of Regents as trustee for the University of Alaska as ratified in
2 ch. 22, SLA 1983; or

3 (2) its appraised fair market value under the lease on June 17,
4 1983, as determined under AS 38.05.085(b).

5 (d) A lessee on the effective date of this Act who was a lessee on
6 June 17, 1983, and who would have been entitled to rights under former
7 AS 38.05.058 before its repeal may exercise those rights in a purchase
8 under (b) or (c) of this section.

9 (e) A lessee who holds a lease of former university-grant land that
10 is classified as agricultural land may purchase the land under (b) or (c)
11 of this section subject to a reservation by the state of all interests
12 except agricultural rights.

13 (f) The commissioner of natural resources shall advise each lessee
14 who may have rights under this section of the enactment of this section.

15 (g) A lessee of former university-grant land who does not give the
16 commissioner of natural resources notice of an intent to purchase within
17 180 days after receiving the notice of rights provided for in (f) of this
18 section may purchase the former university-grant land for its appraised
19 fair market value at the time the notice of an intent to purchase is given.

20 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
21 10.070(c).

Introduced: 3/1/85
Referred: Transportation and
Finance

Ford
0762

Funding Information
General Fund \$915,000
Other Funds -0-
\$915,000

1 IN THE HOUSE

BY SHULTZ

2 HOUSE BILL NO. 250

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Transportation and Public Facilities for
8 bituminous sulfate treatment of Nistler Road; and
9 providing for an effective date."

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

11 * Section 1. The sum of \$915,000 is appropriated from the general fund
12 to the Department of Transportation and Public Facilities for bituminous
13 sulfate treatment of Nistler Road.

14 * Sec. 2. The appropriation made by this Act is for a capital project
15 and is subject to AS 37.25.020.

16 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
17 10.070(c).

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COMMITTEE COPY

ALASKA STATE LEGISLATURE

14th..... Legislature FIRST... Session

HOUSE ..BILL..... NO. 250.....

By SHULTZ.....

"An Act making a special appropriation to the Department of Transportation and Public Facilities for bituminous sulfate treatment of Nistler Road; and providing for an effective date."

Bituminous Sulfate/Nistler Rd.

Introduced in the House ..3/1....., 19..85

HISTORY IN THE HOUSE

1985	Read first time and referred to Committee on												
Mar. 1	TRANSPORTATION AND FINANCE												
	Reported back with recommendation that												
	Read second time and												
	Read third time and												
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
PASS	Effective Date												
Yeas	Yeas												
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Absent	Absent												
Excused	Excused												
	<table border="0"> <tr> <td colspan="2">Reconsideration</td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
Reconsideration													
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	Reported correctly engrossed												
	Signed by Speaker												
	Sent to Senate												

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	Read first time and referred to Committee on												
	Reported back with recommendation that												
	Read second time and												
	Read third time and												
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
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Reconsideration													
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	Reported correctly engrossed												
	Signed by President												
	Returned to House												

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	Received from Senate
	Concurred in Senate amendment thus adopting: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling
	Reported correctly enrolled
	Sent to Governor
 by Governor
	Filed with Lt. Governor
	Chapter No.

Introduced: 3/1/85
Referred: Strnsportation and
Finance

Funding Information
General Fund \$915,000
Other Funds -0-
\$915,000

1 IN THE HOUSE

BY SHULTZ

2

HOUSE BILL NO. 250

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Transportation and Public Facilities for
8 bituminous sulfite treatment of Nistler Road; and
9 providing for an effective date."

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

11 * Section 1. The sum of \$915,000 is appropriated from the general fund
12 to the Department of Transportation and Public Facilities for bituminous
13 sulfite treatment of Nistler Road.

14 * Sec. 2. The appropriation made by this Act is for a capita^l project
15 and is subject to AS 37.25.020.

16 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
17 10.070(c).

COMMITTEE REPORT

HOUSE

(11)

4/25/85

FURTHER:

Date:

5-6-85

The Committee on FINANCE has had HB 377

"An Act requiring inclusion of recommended plans for improving access by the handicapped to public buildings and facilities in the capital improvement program recommended by the governor to the legislature."

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Robert B. Coker

John ...

William ...

...

Ronald J. ...

Pat ...

...

De. ...

Jan ...

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Robert B. Coker

CHAIRMAN

Introduced: 4/15/85
Referred: Transportation
and Finance

1 IN THE HOUSE

BY GOLL AND KOPONEN

2

HOUSE BILL NO. 377

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act requiring inclusion of recommended plans for
7 improving access by the handicapped to public build-
8 ings and facilities in the capital improvement
9 program recommended by the governor to the
10 legislature."

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

12 * Section 1. AS 37.07.060(a) is amended to read:

13 (a) The governor shall formulate the operating and capital
14 improvements programs and financial plans required to be recommended
15 to the legislature by AS 37.07.020 after considering the state agency
16 proposed program and financial plans, and other programs and alterna-
17 tives that the governor considers appropriate. The plans shall
18 include the governor's recommended goals and policies, recommended
19 plans to implement the goals and policies, recommended operating
20 program for the succeeding fiscal year, recommended capital improve-
21 ments program for the succeeding six fiscal years, recommended pro-
22 grams for the upgrading of public buildings and facilities prepared in
23 accordance with AS 35.10.015, and recommended revenue measures to
24 support the programs.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 377
 Title: Plans for Improving Access to Public Facilities
 Sponsor: Goll & Koponen
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: DOT&PF
 Program Category Affected: Transportation
 BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
----------------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Daniel F. Malick *DM* Phone: 465-4070
 Division: HQ Plans & Programs Date: 4/24/85
 Approved by Commissioner: *Dick Pappas* Date: 4/24/85
 Agency: DOT&PF

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84

Introduced: 4/15/85
Referred: Transportation
and Finance

1 IN THE HOUSE

BY GOLL AND KOPONEN

2

HOUSE BILL NO. 377

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act requiring inclusion of recommended plans for
7 improving access by the handicapped to public build-
8 ings and facilities in the capital improvement
9 program recommended by the governor to the
10 legislature."

11

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

12

* Section 1. AS 37.07.060(a) is amended to read:

13

14

15

16

17

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24


(a) The governor shall formulate the operating and capital
improvements programs and financial plans required to be recommended
to the legislature by AS 37.07.020 after considering the state agency
proposed program and financial plans, and other programs and alterna-
tives that the governor considers appropriate. The plans shall
include the governor's recommended goals and policies, recommended
plans to implement the goals and policies, recommended operating
program for the succeeding fiscal year, recommended capital improve-
ments program for the succeeding six fiscal years, recommended pro-
grams for the upgrading of public buildings and facilities prepared in
accordance with AS 35.10.015, and recommended revenue measures to
support the programs.



Dept. of Transportation & Public Facilities

Position Paper

BILL NO: House Bill 377

APPROVED: 
R. J. Knapp
Commissioner

TITLE: Plans for Improving Access to Public
Facilities

DATE: 4-23-85

The Department supports House Bill 377.

House Bill 377 requires the Governor to recommend public facility projects which would bring public buildings into conformance with handicapped access codes. The Department currently produces an Architectural Barrier Program Report as required by Section 35.10.15. House Bill 377 merely requires the Governor to recommend projects within his capital budget request reflecting a level of priority and funding commitment to projects noted in the Architectural Barrier Report.

The purpose and intent of House Bill 377 is to encourage the State to bring its public buildings into conformance with handicapped access codes. The Department fully supports this goal realizing that its current activities in this regard are limited by appropriated funding.



STATE OF ALASKA
HOUSE OF REPRESENTATIVES

M E M O R A N D U M

April 18, 1985

TO: Representative Bette Cato
Chair House Committee on Transportation

FROM: Representative Peter Goll *Peter Goll*

SUBJECT: HB 377

For years, citizens have been complaining about the absence of elevators on the LeConte and the Aurora. The lack of these facilities has caused extreme hardship for many of our infirm and disabled citizens. This situation is not unique to our ferries, but is widespread in the state's public facilities.

In 1983, the Ombudsman's office began investigating a complaint regarding the alleged failure of the Department of Transportation to comply with the mandate of the 1976 law, AS 35.10.015, which requires the state to ensure complete access to its public facilities, including ferries, by the disabled.

Although the Department agreed to proceed with the implementation of the law, it was discovered in mid-1984, that no substantial progress had occurred.

It was discovered that although the law required that the upgrade of facilities take place, these projects were given a low priority in comparison with non-mandated projects.

Regarding elevators, AS 35.10.015 states that: "All ferries owned or operated by the state shall be equipped with elevators or other passenger lifting equipment, ramps, or other facilities and devices to ensure that these vessels are accessible to and usable by physically handicapped, aged or infirm passengers. In this subsection, 'accessible to and usable by' means that a physically handicapped, aged or infirm passenger can board, disembark and move between decks and about the public areas aboard a state ferry with personal comfort and with safety to himself, other passengers and members of the crew."

Representative Bette Cato
Page 2
April 18, 1985

Recently, when the Ombudsman asked the DOT about plans for FY86, he was advised that although there is no budget item directed to handicapped accessibility, two entries could "possibly be used" for handicapped access. These included \$61,000 for Southeast facilities and code performance and \$320,000 for ferry terminal upgrades.

It is doubtful that even the \$61,000 will in fact be used to improve access. I know of no other funds dedicated to this purpose on the ferries themselves.

From 1976 until 1983, with the first Sheffield budget, no systematic steps were taken to respond to the 1976 law. Even with the Governor's increased commitment, the departmental priority level for providing access to the disabled remains low. I am concerned that with declining revenues, the state's commitment to disabled access could decline further.

To address the problem, I offer this amendment to the Executive Budget Act which would specifically require the administration to submit with its annual capital budget request "recommended programs for upgrading of public buildings and facilities prepared in accordance with AS 35.10.015" and to recommend revenue measures to support the programs.

Such an amendment would require the implementation of the program set out in the AS 35.10.015, requiring the systematic upgrading of all public facilities to provide access to the disabled.

A final comment for those interested in the LeConte and Aurora specifically is that under the law (AS 35.10.015 (d)), no ferry may be purchased or completely renovated that "does not include adequate facilities and devices to ensure that the vessel is accessible to and usable by physically handicapped, aged or infirm passengers, including but not limited to those persons occupying a wheelchair." While other ferries have undergone such renovation and been equipped with elevators, neither the LeConte nor the Aurora has received a complete renovation since 1976.

considers advisable. This section does not apply to the construction of school buildings in incorporated cities, unless the construction is done in whole or in part with state funds, or to the construction of school buildings when the construction amounts to less than \$2,000. (§ 1 art III title III ch 152 SLA 1957)

Am. Jur. 2d reference. — 64 Am. Jur. 2d, Public Works and Contracts, § 1 et seq.

Sec. 35.10.015. Architectural barrier regulations: enforcement. (a) The department shall prepare, promulgate and enforce regulations governing the construction of public buildings and facilities by or for the state, including the University of Alaska, and its political subdivisions, whether financed in whole or in part by federal funds, to ensure that the public buildings and facilities are accessible to, and usable by, the physically handicapped, aged or infirm. The regulations of the department shall conform to a standard comparable to the applicable provisions of federal law or regulation and to the publication entitled "American Standard Specifications for Making Buildings and Facilities Accessible to and Usable by the Physically Handicapped" or any amendments to this publication as approved by the American Standards Association, Incorporated, under the sponsorship of the National Society for Crippled Children and Adults and the President's Committee on Employment of the Physically Handicapped.

(b) The department shall develop and maintain an inventory of all public buildings and facilities with respect to their compliance with the regulations adopted under (a) of this section. The department shall make an annual report to the governor and the legislature describing work performed in the preceding calendar year to upgrade public buildings and facilities to conform with the regulations. In addition, the department shall develop cost estimates and recommended priorities for the upgrading of public buildings and facilities that do not conform with the regulations adopted under (a) of this section and shall include these estimates and the recommended priorities in the annual report to the governor and the legislature.

(c) In this section, "public facilities" includes vessels owned by the state and operated by the division of marine transportation of the department as a part of the Alaska marine highway system. All ferries owned or operated by the state shall be equipped with elevators or other passenger lifting equipment, ramps, or other facilities and devices to ensure that these vessels are accessible to and usable by physically handicapped, aged or infirm passengers. In this subsection, "accessible to and usable by" means that a physically handicapped, aged or infirm passenger can board, disembark and move between decks and about the public areas aboard a state ferry with personal comfort and with safety to himself, other passengers and members of the crew.

(d) After June 25, 1976, no ferry may be constructed, lengthened, completely renovated, or purchased for use or entered into service by the division of marine transportation of the Department of Public Works as a part of the Alaska marine highway system that does not include adequate facilities and devices to ensure that the vessel is accessible to and usable by physically handicapped, aged or infirm passengers. Some staterooms and all restrooms, indoor passageways, outdoor weather decks, and other public areas aboard the vessel shall be so designed and constructed as to permit access and use by physically handicapped, aged or infirm passengers, including but not limited to those persons occupying a wheelchair.

(e) After June 25, 1976, no public building or facility in the state may be planned, designed, financed, constructed, opened to public use, or otherwise placed in operation unless it meets the standards established under this section. (§ 1 ch 119 SLA 1966; am § 1 ch 48 SLA 1972; am §§ 1 — 4 ch 249 SLA 1976; am Executive Order No. 39, § 11 (1977))

Revisor's note. — Subsections (d) and (e) of this section were enacted as §§ 3 and 4, ch. 249, SLA 1976, rather than as a part of this section.

Effect of amendments. — The 1976 amendment, in the first sentence of present subsection (a), substituted "shall prepare, promulgate and enforce" for "is responsible for preparing and promulgating," inserted "whether financed in whole or in part by federal funds" and added "aged or infirm" to the

end of the sentence. The amendment also substituted "to a standard comparable to the applicable provisions of federal law or regulation and" for "as far as it is feasible" in the second sentence of present subsection (a), and added subsections (b) and (c).

The 1977 amendment, substituted "department" for "Department of Public Works" in the first sentence of subsections (a) and (c).

Sec. 35.10.020. Consultation with municipal planning commissions.

Repealed by § 4 ch 143 SLA 1977.

Cross reference. — For provisions requiring the review and approval by local planning authorities before commencing construction of a public project, see AS 35.30.010. For provisions requiring compliance with municipal ordinances, see AS 35.30.020. For provisions providing for

waiver of local planning authority approval and the compliance requirement, see AS 35.30.030.

Editor's note. — The repealed section derived from § 2, art. III, title III, ch. 152, SLA 1957; § 1, ch. 63, SLA 1974; § 1, ch. 96, SLA 1975; § 1, ch. 50, SLA 1976.

Sec. 35.10.025. Compliance with local building codes. A public building shall be built in accordance with applicable local building codes including the obtaining of required permits. This section applies to all buildings of the state and corporate authorities of the state. (§ 1 ch 89 SLA 1968)



SUSAN K. FLEISCHHAUER
LEGISLATIVE LIAISON
OFFICE OF THE COMMISSIONER

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES
POUCH Z
JUNEAU, ALASKA 99811

JUNEAU (907) 465-3900

HANDICAP ACCESS

Current Projects:

°Modification of four restrooms:

Alaska Office Building (2)
State Office Building (2)

\$28,500

°Modification of Community Building, 3rd St., Juneau

Entry for access

\$ 7,500

°Improvements to Hoonah ferry terminal

Included in the \$35,000 improvements to the
ferry terminal, restrooms are being remodeled.

FY 86 Budget Request:

°Ketchikan Court and Office Building

Modifications of restrooms and elevators

\$24,000

An analysis on the costs, etc., of the impact to DOT&PF
to follow mandate, will be completed by next week, and you
will be provided a copy.

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH Z
JUNEAU, ALASKA 99811
PHONE: (907) 465-3200

March 4, 1985

The Honorable Peter Goll
Alaska State House of Representatives
Pouch V
Juneau, AK 99811

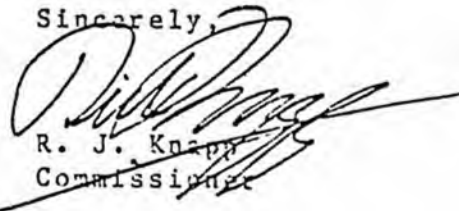
Dear Representative Goll:

This is in response to your letter concerning installation of elevators on the M/V AURORA and M/V LeCONTE. The estimated cost to install a suitable elevator is between \$500,000 to \$650,000 per vessel. However the last definitive cost data we have in this area was for installation of an elevator on the M/V MALASPINA in 1982. The cost was approximately \$300,000 to install an elevator in an existing shaft. No elevator shafts currently exist on either the AURORA or the LeCONTE.

The restricted space in the 235' class vessel significantly complicates options for placement of an elevator shaft. Currently, the fore deck area is too limited to effectively accommodate an elevator, and the stairwells are too narrow for a mechanized platform. It would require a major re-work of crew and passenger areas to overcome these restrictions.

Considering the importance of handicap access, we certainly will keep that subject in mind during future appropriation requests. The feasibility of elevator installation can be examined next year and included within the budget cycle as a code up-grade project. At present, the overall needs of the system are considerable, but every reasonable effort will be made to include the elevators in next year's budget request.

Sincerely,



R. J. Knapp
Commissioner

cc: Joe D. Camp, Deputy Commissioner
Alaska Marine Highway System



Ombudsman

John B. Chenoweth

State of Alaska

February 26, 1985

The Honorable Peter Goll
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811-3100

Reply to:

3201 C Street, Suite 606
Anchorage, Alaska 99503
(907) 563-3673

Pouch W0
Juneau, Alaska 99811
(907) 465-4970

P.O. Box 74358
Fairbanks, Alaska 99707
(907) 452-4001

Dear Representative Goll:

In March 1983 my office received a complaint alleging failure on the part of the Department of Transportation and Public Facilities to enforce applicable statutes and regulations relating to access by handicapped persons to the principal agency-occupied state buildings in Juneau. (The complaint was filed with specific reference to the Goldbelt Building, partially occupied by the Alaska Department of Education.)

Following investigation, in a September 1983 letter I found the complaint "justified" and, due to correction of some of the deficiencies in the Goldbelt building, "partially resolved." However, I also presented three recommendations to the Department of Transportation and Public Facilities, urging the department to:

(1) complete and formally adopt a comprehensive statewide plan of enforcement of standards to remove barriers to accessibility in public buildings;

(2) coordinate its efforts and experience with the Department of Administration to assure that applicable standards are applied to state-leased space (including the specific leased space cited in this complaint); and

(3) complete and maintain the inventory, cost estimates, and priority list required by AS 35.10.015(b) and, based on that information, requests for FY 85 and after the appropriation of amounts sufficient to enforce provisions of the laws and regulations applicable to removal of barriers to the handicapped from public buildings.

In an October 17 reply, then-deputy commissioner Fred Seeger answered in part:

DOT&PF has informally developed and is in the process of formally adopting a comprehensive

Statewide plan for enforcement of barrier-free regulations with the goal of making all public buildings accessible. As a part of this effort, the current DOT&PF amendments will be modified as necessary to clarify requirements. Once developed, this plan of enforcement will be formally adopted.

The above Statewide plan for enforcement will address making State-leased space accessible. DOT&PF will work with DOA to develop and implement this enforcement program.

In response to AS 35.10.015(b), DOT&PF has recently completed the Inventory and Condition Survey of all State owned and operated facilities. This survey identifies code deficiencies and associated upgrade costs not only for compliance with barrier-free regulations but also for fire and life safety codes. The estimated cost to correct all code deficiencies for all state facilities exceeds 200 million dollars, 50 million of which is to correct accessibility deficiencies. . . . Priorities have not been established for barrier-free upgrades separate from fire and life safety code upgrades, as both are necessary.

On the basis of the department's assurance that my recommendations had been accepted and were in the process of being implemented by the department, I closed the case in November 1983 as "rectified."

In July 1984, as part of my office's routine follow-up procedures, I sent a letter to then-acting deputy commissioner Dan Malick in which, to assess the degree my recommendations had been implemented, I asked several questions regarding the department's progress towards enforcement of handicapped accessibility statutes. Because I received no response, I subpoenaed Mr. Malick for the information I had requested and met with him and two of his staff on October 23.

From the information Mr. Malick provided me and from a subsequent discussion with him and his staff, I concluded that: (1) regulations providing for enforcement guidelines had not been adopted (though Mr. Malick provided me with several drafted proposals for regulations, it was clear to me that the department was no where near promulgating regulations); (2) a statewide enforcement strategy, preferably by way of a policies and procedures statement, had not been established (here again, various draft proposals of policies and procedures were provided, but none were near being accepted by the department); (3) the enforcement of handicapped access legislation was but one of many projects mandated by law to the department, and as such, held a position of low priority; (4) enforcement activities competed with various other nonmandated projects, most of which were, for the department, also of higher priority than handicapped access enforcement; and (5) these departmental priorities were reflected in budget priorities, where

little money had been appropriated specifically to handicapped accessibility.

At the October 23 meeting Mr. Malick assured me the department would continue pursuing the adoption of regulations as well as policies and procedures that together would outline a handicapped access enforcement strategy. Additionally, he told me the department had revised its method for establishing FY 86 budget priorities. According to Mr. Malick, 28 program areas had been identified by the department as requiring funding. One of the 28 project areas was handicapped accessibility and fire and life/safety code performance. It was the assessment of Mr. Malick and his two staff that, with this component identified for funding, the chance that the FY 86 department's budget request would include an allocation for correcting accessibility deficiencies was greater than any fiscal year of the past.

Concluding the meeting, I encouraged department officials to continue pursuit of regulations and policies and procedures that would outline departmental enforcement strategies. I also assured Mr. Malick that I would monitor the budgetary process to evaluate the extent to which accessibility received attention.

The concern you expressed about handicapped accessibility on the ferry system, then, seemed to me a logical extension of my office's own concern. There is no doubt that the Department of Transportation and Public Facilities is charged with enforcing handicapped accessibility on ferries. AS 35.10.015(a) requires that the department ensure that public buildings and facilities constructed after 1976, the year the legislation was passed, are accessible to, and usable by, the physically handicapped, aged or infirm. AS 35.10.015(c) defines "public facilities" as including vessels,

owned by the state and operated by the division of marine transportation of the department as a part of the Alaska marine highway system. All ferries owned or operated by the state shall be equipped with elevators or other passenger lifting equipment, ramps, or other facilities and devices to ensure that these vessels are accessible to and usable by physically handicapped, aged or infirm passengers. In this subsection, "accessible to and usable by" means that a physically handicapped, aged or infirm passenger can board, disembark and move between decks and about the public areas aboard a state ferry with personal comfort and with safety to himself, other passengers and members of the crew.

Our February 6 meeting prompted me to examine Governor Sheffield's budget request for FY 86. I could find no item in the Capital Budget directed specifically for handicapped accessibility and have since questioned Mr. Malick on the matter. He pointed to four entries that "possibly could be used" for handicapped accessibility improvements--\$550,000 for annual improvements to the Anchorage International Airport, \$300,000 for annual improvements to the Fairbanks International Airport,

\$61,000 for Southeast facilities and code performance, and \$320,000 for Alaska marine highway terminal facility improvements. He admitted that the \$61,000 for facilities and code performance could be (and would likely be) used for improvements other than handicapped accessibility. He described the \$61,000 entry as the closest one to handicapped accessibility per se and that even it could be used for fire and life/safety code performance rather than handicapped accessibility.

As to the department's budgetary process that was supposed to have assured monies for handicapped accessibility, Mr. Malick explained that, indeed, the department's original request had included 28 program areas and that one of those areas had been handicapped accessibility and code performance. The department, he told me, first presented the governor with a capital budget of \$229 million, of which \$2.6 million was dedicated to handicapped accessibility and code performance. When the governor cut that budget to \$76 million, all but the \$61,000 of the \$2.6 million was sliced in favor of programs which the department deemed to be of higher priority. He pointed out several areas where funding requests had been maintained as ones for which the federal government provides matching funds, sometimes on a 9 to 1 basis. In a time of budgetary priority, he stated, it would be foolish to cut those areas. He told me that funding for other areas, most notably highway construction and improvement, were viewed by the department and the public as being essential. Finally, he noted that the handicapped were not a very strong lobbying force.

Mr. Malick suggested that I talk to Dave Waldron, Director of Maintenance and Operations for the Southeast Region, Department of Transportation and Public Facilities, to assess the degree the department had addressed handicapped accessibility in Southeast. Mr. Waldron told me that his FY 85 and 86 budgets had reserved \$100,000 and \$66,000 respectively for handicapped accessibility upgrade to buildings. In addition, he said, as a routine part of departmental upgrade of buildings, accessibility upgrades were made at the department's own expense.

Mr. Waldron was candid enough to advise that, despite the fact the department had been charged with the enforcement of accessibility statutes since 1976, not until 1983 did it begin a substantial effort to upgrade its own facilities in Southeast. He pointed me to the enclosed December 28, 1983 memo from Jon Scribner, then-acting deputy commissioner for the southeastern region, in which estimates for projects to improve handicapped accessibility were given and in which projects were assigned "current" and "future" priority status. He told me that the priorities as stated in that memo had changed in March 1984 as a result of a review of state buildings by a committee of handicapped people. The results of that review are represented in the enclosed March 7, 1984 memo, which, he said, currently serves to prioritize handicapped accessibility projects in Southeast. Finally, on February 14, 1985, he sent me a progress report of the Southeastern Handicapped Access Program, which lists projects that have been completed to date. I enclose that report. You will notice that most improvements have been made to buildings in Juneau.

As a last source of information, I questioned John McGrath, an engineer for the southeast ferry system, specifically about the LeConte and the Aurora. He verified that both ferries lacked proper handicapped accessibility. He told me that in the past several years, all other ferries on the state's southeast line had undergone major renovation which included handicapped accessibility improvements--most notably, the installation of elevators--had been made. He stated that neither of the two ferries in question had undergone major renovation since they had been purchased by the state--that both had only received routine maintenance each year, requiring a three- to ten-day dry dock. Finally, he explained in detail the problems associated with installing elevators in both ferries--noting the primacy of space, the lack of elevator shafts, and major safety and fire code problems--and estimated that the installation of a suitable elevator would cost between \$500,000 and \$650,000 for each of the two ferries. He said that such a major project was not currently scheduled for the future.

My review of the matter of handicapped accessibility on the LeConte and the Aurora has verified what I already suspected--the department has generally "dragged its feet" on the enforcement of handicapped accessibility. Not until 1983, seven years after being mandated by law, did the department complete the Inventory and Condition of all state owned and operated facilities. Not until 1983 did it substantially begin efforts to upgrade its own facilities. In short, since 1976 the enforcement of accessibility has remained for the department a low priority. Now, with the major budgetary difficulties being experienced by the state, I suspect it will receive even less attention.

It is, of course, ever more expensive to complete proper enforcement and upgrade. According to Mr. Malick, the \$50 million estimate given to me by Mr. Seeger in 1983 has been revised to one of approximately \$65 million. Nor can I deny the fact that the department has made certain improvements to its own facilities. Yet, I can't help but believe the gap between the responsibilities mandated to the department by law and the activities the department has undertaken to fulfill those responsibilities grows ever-larger.

In light of declining revenues, your choices, realistically, seem to be these:

(1) If legislative attention turns back to general obligation bonding as a source of revenue for capital projects, you may want to add to any bond proposing funding the cost of transportation projects elevators in the LeConte and the Aurora--an estimated \$1.3 to \$1.5 million.

My experience (five years in Legislative Affairs as a bill draftsman) suggests that legislators seriously consider general obligation bond proposals only in a second session, since bonds are submitted to the voters at the general election. A bond bill submitted in a first session would certainly attract some attention, albeit no action; therefore, I would urge you to review the bond idea with your House colleagues before actually offering any legislation.

February 26, 1985

(2) While revenue is a concern, if you want the administration to commit itself to complete improvements to these two vessels, you need to overcome the mind set of department budget analysts and planners who favor projects drawing a "federal match." You need to remind department officials that, though being prepared to secure all available federal match money is a worthy objective, they must remember that the legislature, by law, has directed the department to attend to handicapped access to the state's buildings and transportation facilities.

Why not, then, specifically direct the governor to prepare and submit his FY 87 capital budget with priority assigned to handicapped access projects, as the legislature has identified or specified by law? If you want the administration to do this but one time (say just for the FY 87 budget submission), you should offer a House Concurrent Resolution. On the other hand, if you want handicapped access priorities addressed as a regular part of the governor's annual budget submission, you would have to prepare a bill that amends the Executive Budget Act (AS 37.07). I would suggest the following:

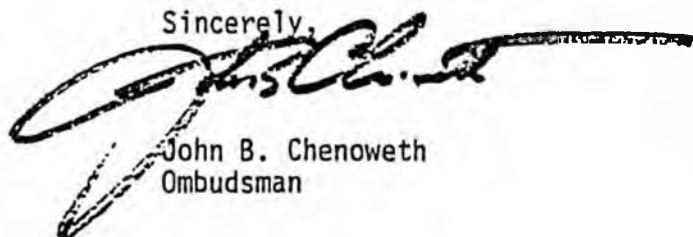
*Sec. AS 37.07.060(a) is amended to read:

(a) The governor shall formulate the operating and capital improvements programs and financial plans required to be recommended to the legislature by AS 37.07.020 after considering the state agency proposed program and financial plans, and other programs and alternatives that the governor considers appropriate. The plans shall include the governor's recommended goals and policies, recommended operating program for the succeeding fiscal year, recommended capital improvements programs for the succeeding six fiscal years, recommended programs for the upgrading of public buildings and facilities prepared in accordance with AS 35.10.015, and recommended revenue measures to support the programs.

My track record is such that I could not hope to achieve any success were I to bring this matter to the attention of the administration. Despite the good intentions of Commissioner Knapp and Mr. Malick, their failure to assure handicapped access a place in the FY 86 capital budget suggests that, for the future, the inclusion of handicapped access as a component of state budgeting--on even a small scale--will surely require a second legislative mandate.

Please advise if there is more I may do on this matter.

Sincerely,



John B. Chenoweth
Ombudsman

JBC:LJB:jdt
Enclosures

MEMORANDUM

State of Alaska
Department of Transportation & Public Facilities

TO: Jonathan W. Scribner
Deputy Commissioner
Southeastern Region

DATE: December 28, 1983

FILE NO:

TELEPHONE NO: 789-3483

FROM: David L. Waldron, Director
Maintenance and Operations
Southeastern Region

SUBJECT: Handicapped Access to
State owned Buildings

Attached is our total program for upgrading state owned facilities maintained by the Southeastern Region of DOT&PF to improve handicapped access.

Those items listed as current are or will be included in our FY 84 and FY 85 in-house work programs. These projects will require CIP funds in the amount of \$18,000 in addition to that portion of our operating funds which we plan to use in support of this program.

Those items listed as future are those items which for the most part we anticipate accomplishing by contract in future fiscal years. We anticipate having approximately \$80,000 available to support this program in FY 85 which will be adequate to accomplish about \$55,000 to \$60,000 of the work listed.

DLW:cmt

STATE OFFICE BUILDING CONTINUED

Controls, Identification & Warning - Lower alarm pulls to 48". Lower elevator call buttons to 48". No recommendation regarding switches. Provide warning strips and knurled door handles at stairwells. Provide raised numerals at elevator lobbies to identify each floor. Install visible alarm system. \$ 12,000

Drinking Fountains - Lower drinking fountains to 34". \$ 3,000

Elevators - Lower handrails to 32". Lower controls to 48" maximum and provide tactile identification. \$ 10,000

ALASKA OFFICE BUILDING

CURRENT:

Parking signage \$ 200

Modify public counters \$ 500

Replace drinking fountains \$ 3,000

Install adequate signage \$ 150

FUTURE:

Toilets - It is recommended that rather than modifying existing toilet rooms in the Alaska Office Building, signs be installed directing handicap users to toilet facilities located in the State Office Building. \$ 250

Controls, Identification & Warning - Install as required. Provide tactile identification 60" high at sides of doors \$ 6,000

Elevators - Lower handrails. Install new controls with tactile identification and maximum height to top of panel 78". \$ 2,000

ACCOMPLISHED:

Replace entry doors at 3rd, 4th and Main.St. entrances. Est. Complete 1-31-84

SUBPORT BUILDING

CURRENT:

Designate parking spaces \$ 100

Install adequate signage \$ 500

Replace drinking fountain \$ 500

FUTURE:

Parking - Designate handicap parking spaces at area entrances adjacent to facility on the east and south walls. As the only access to the vessel repair section is through the middle bay section, additional parking should be provided. Provide curb cuts, signage, additional lighting, and related items. \$ 2,000

SUPPORT BUILDING CONTINUED

Facility Access - Grade surfaces. Provide pedestrian entrance to middle bay (see Life/Fire Safety). Construct curb cuts. Install signs. Install parking bumpers.	\$ 3,000
Entrances - Grade entrance surfaces. Recess door mats. Provide 1' - 6" clearance as required.	\$ 2,000
Exterior Doors - Install new doors with 32" minimum clear width, vision panels at 40". Flush or beveled thresholds.	\$ 1,500
Interior - Fill expansion joints to level surface with flexible material. Remove obstructions. Level surfaces. Change ramps.	\$ 2,000
Toilets - Modify toilets in F&G offices in conformance with standards. Renovate toilet room and install new fixtures in National Guard area. Remove shelf and expand toilet room. Install new fixtures in Marine Trans. area. Provide access route to toilets in vessel repair section. Install ramp to allow access to toilet room. Install new fixtures.	\$ 20,000
Controls, Identification & Warning - Install identification and warning as required. Lower control height to 48".	\$ 2,500

ALASKA STATE MUSEUM

CURRENT:

Parking with signage	\$ 500
Provide identifiers at curb cuts	\$ 250
Automatic door openers	\$ 3,000
Modify door closers	\$ 200
Install beveled thresholds	\$ 200
Reset interior door handles	\$ 2,000
Replace stair fire doors	\$ 1,000
Modify work stations	\$ 1,000
Install raised numerals at doors	\$ 200
Knurled handles and abrasive floor strips	\$ 500
Replace drinking fountains	\$ 1,000
Lower elevator handrails	\$ 100
Install tactile identification	\$ 300
Install adequate signage	\$ 250

FUTURE:

Facility Access - Construct compliant ramp, south side of entrance only. Suggest switchback arrangement. Lower handrails and extend 12" beyond ramp. Provide additional lighting.	\$ 15,000
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ALASKA STATE MUSEUM CONTINUED

Exterior Stairs - Install new handrails in conformance with applicable standards.	\$ 5,000
Toilet Facilities - Existing facilities difficult to modify due to space limitations. Recommend development unisexual toilet facility for handicap use.	\$ 10,000
Controls, Identification & Warning - Install as required.	\$ 5,000
Elevators - Lower controls to 4'0" maximum.	\$ 1,000

ACCOMPLISHED:

Reconstruct outside wheelchair ramp and provide curb cut. Completed 6-83

PUBLIC SAFETY BUILDING (WHITTIER STREET)

CURRENT:

Parking with signage	\$ 500
Replace door threshold	\$ 200
Lower drinking fountains	\$ 800
Install adequate signage	\$ 200

FUTURE:

Facility Access - Develop pedestrian access route from designated parking to entry door. Expand existing platform to 5' X 5' and provide access cut. Raise platform to threshold.	\$ 300
Entrances - Provide flush mats.	\$ 1,500
Interior - Replace existing doors. Ref: Life/Fire safety for doors into corridors.	\$ 2,500
Toilets - Develop unisexual toilet rooms 1st and 2nd floors.	\$ 15,000
Controls, Identification & Warning - Modify and install as required.	\$ 400

GLACIER AVENUE BUILDING

CURRENT:

Parking with signage	\$ 300
Additional Exterior lighting	\$ 200
Replace plywood ramp	\$ 300
Install beveled thresholds	\$ 300
Install accessible reservations desk	\$ 1,000
Replace drinking fountains	\$ 1,000
Install adequate signage	\$ 300

GLACIER AVENUE BUILDING CONTINUED

FUTURE:

Facility Access - Construct new ramp in accordance with applicable standards.	\$ 1,500
Install recessed door mats.	\$ 800
Provide landing with curb cut; flush or beveled threshold as required. Install new door with 32" min. clear width.	\$ 500
Repair surface. Install recessed floor mats.	\$ 400
Toilets - Adequate space exists 1st floor restrooms and related items. Install signage.	\$ 8,000
Controls - Reinstall controls and switches as required at uniform 48" maximum.	

ISLAND CENTER BUILDING

CURRENT:

None

FUTURE:

Facility Access - Repair existing sidewalk at parking area.	\$ 1,000
Entrances - Expand existing landings to 5' X 5'. Construct ramp from sidewalk to landing.	\$ 2,000
Exterior Doors - Adjust closer. Replace door with 32" clear width door assembly.	\$ 3,000
Toilets - Modify existing toilet facilities in conformance with applicable standards.	\$ 10,000
Controls, Identification & Warning - Install as required.	\$ 5,000
Drinking Fountains - Replace existing units with accessible fixtures.	\$ 2,000
Signage - Install as required.	\$ 1,000

ACCOMPLISHED:

Pave Parking lot	Completed 1982
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COURT AND OFFICE BUILDING - JUNEAU

CURRENT:

Modify counter	\$ 1,500
Public telephone replacement	\$ 2,000
Install adequate signage	\$ 350

FUTURE:

Parking - Two areas should be expanded in order to accommodate handicap access to the Court & Office Bldg. (1) enlarge dropoff/loading zone on 4th Street. Provide signage and allow limited parking. Construct curb cut. Mark accordingly. (2) The second area which could provide more permanent parking is located along Seward Street, adjacent to the Court & Office Bldg. and the Community Bldg. This area should be leveled and appropriate signs and markings provided. This would provide access to the ground floor level of the Court & Office Bldg.	\$ 5,000
Exterior Doors - Replace door to provide 32" minimum clear width. Adjust door closer to 8".	\$ 6,500
Toilet - Modify existing toilets on 4th floor in accordance with applicable standards. Install signs at other floors directing people to this fact.	\$ 6,000
Controls, Identification & Warning - Lower call buttons to 48" maximum.	\$ 10,000
Provide raised numerals located 60" above floor at sides of doors.	\$ 5,000
Provide access symbols as required - see Toilets and Parking.	\$ 500
Provide knurled door handles at stairwells.	\$ 1,600
Elevators - Although cab size is not within required dimensions, no modification is recommended. It is recommended that both handrails and controls be lowered to required heights and that tactile identification be installed. Also there is no indication of elevator direction nor of which elevator is to be used except by visual inspection. It is recommended that some type of audible system be installed.	\$ 16,000

COURT AND OFFICE BUILDING - SITKA

CURRENT:

Modify existing toilet rooms	\$ 1,000
Reinstall drinking fountains	\$ 400
Provide proper signage and Identifier railing at curb cut	\$ 600

COMMUNITY BUILDING - JUNEAU

CURRENT:

Provide designated parking	\$ 1,000
Replace Front entrance door	\$ 5,000
Install adequate signage	\$ 1,000

FUTURE:

Facility Access - Construct ramp to level of south entry. Extend landing. Provide curb cuts and identifiers at both corners of 3rd Street. \$ 12,000

Exterior Stairs - For handrails, see - Arch/Civil. Install additional lighting. \$ 2,000

Interior/Interior Doors - Although minor deficiencies exist, no changes are recommended. It should be noted that an elevator shaft exists in the building. Although no elevator is currently installed, the installation of an elevator would provide access to other floors within the facility. \$ 50,000

Toilets - It is recommended that a unisex toilet room constructed in accordance with Alaska State Standards be constructed on the 1st floor. Install signs as required. \$ 10,000

Controls, Identification & Warning - Install room numbers symbols and similar as required. \$ 1,000

Drinking Fountain - Remove and install new units, minimum 1st floor, other floors if elevator access is provided. \$ 1,000

JUNEAU RECORDS CENTER

CURRENT:

Provide parking and access	\$ 500
Lower handrails on exterior stairs	\$ 200
Remove additional door mat	---
Relocate and replace drinking fountain	\$ 1,500
Install adequate signage	\$ 300

FUTURE:

Facility Access - Install blind identifiers. Raise handrail. \$ 1,500

Exterior Doors - Replace doors, provide flush or beveled thresholds. Adjust door pulls to 8-lb maximum. \$ 2,000

Interior - Replace doors, provide 32" minimum clear width Relocate radiator. \$ 10,000

Toilets - Due to the existing tight configuration, recommend developing unisex toilet room, 1st floor. \$ 10,000

JUNEAU RECORDS CENTER CONTINUED

Controls, Identification & Warning - Lower controls and fire boxes. .	\$ 3,000
Elevators - Existing shaft larger than current elevator. Install larger elevator. Lower call box and controls.	\$ 25,000
Kitchen - Modify as required.	\$ 5,000

KETCHIKAN STATE COURT AND OFFICE BUILDING

CURRENT:

Provide curb cut	\$ 600
Provide 2 handicapped parking spaces	\$ 300
Provide handicapped signage	\$ 1,500
Correct telephone deficiency	\$ 800
Lower dispensers in toilets	\$ 400

FUTURE:

Interiors - Provide 12 knurled locksets.	\$ 1,620
Elevators - Replace control and call box with handicap devices @ 2.	\$ 8,000
Toilets - Relocate 8 toilet doors to open into corridor with 12" minimum clearance at knob side.	\$ 3,040
Provide 16 proper toilet stall grab bars (8 @ 36" and 8 @ 42")	\$ 1,170
Delete one toilet and stall per room and extend partition to 60" X 56" size stall.	\$ 7,840

HAINES - FERRY TERMINAL

CURRENT:

Identify handicap parking spaces.	\$ 30
Lower drinking fountain	\$ 100
Provide proper signage	\$ 150

FUTURE

Toilets - Remodel toilet room entrances to permit handicap accessibility.	\$ 2,200
Provide toilet room facilities in compliance with code requirements.	\$ 1,200

KETCHIKAN FERRY WAITING ROOM

CURRENT:

Provide lower portion of counter for handicap access, 24" deep
by 32" high and 48" wide. \$ 300
Provide 3 symbols of access and 3 signs \$ 250
Relocate one telephone and provide amplification \$ 300

FUTURE:

Toilet - Expand toilet rooms 5' to south and relocate
fixtures (see mechanical); provide new toilet partitions
for two stalls, grab bars (2-36" & 2-42"); relocate Janitor.
Closet and enlarge entry vestibules to permit wheelchair
access. \$ 8,750

PETERSBURG FERRY WAITING ROOM

CURRENT:

Provide 1 access symbol, 3 signs and 1 parking sign \$ 300
Paint stripes for one parking space @ 40 LF stripes \$ 40
Lower one 3'-0" X 2'-0" segment to 2'-8" height. \$ 120
Lower telephone, provide amplifier \$ 240

FUTURE:

Toilets - Replace 2'-6" doors with 3'-0" doors and re-
verse to swing out; provide 14 LF grab bars; lower 2
mirrors and 2 dispensers. \$ 1,750

Exterior - Relocate south entry door 12" to west.

Parking - Provide one curb cut ramp to sidewalk 48"
square. \$ 340

SITKA FERRY WAITING ROOM

CURRENT:

Provide curb cut and ramp per code requirements. \$ 200
Provide and identify handicap parking space \$ 50
Provide proper signage \$ 50

FUTURE:

Toilet - Remodel toilet rooms - provide approved fix-
tures and entrance doors. \$ 2,400

SKAGWAY FERRY WAITING ROOM

CURRENT:

Provide and identify handicap parking and route of travel fac.	\$	50
Provide proper signage	\$	50

FUTURE:

Toilets - Remodel toilet rooms to provide proper fac.	\$	2,700
Facility access - Construct ramped entrance.	\$	500

WRANGELL FERRY WAITING ROOM

CURRENT:

Provide 1 access symbol, 3 signs and 1 parking sign.	\$	330
Paint stripes for 1 parking space @ 40 LF stripes	\$	40
Provide 1 LF handrail extension	\$	30
Lower 1 3'-0" X 2'-0" segment to 2'-8" height	\$	120
Lower telephone, provide amplifier	\$	240

FUTURE:

Toilets - Replace 2'-6" doors w/3'-0" doors and reverse to swing out; provide 14 LF grab bars; Lower 2 mirrors and 2 dispensers.	\$	1,800
Parking - Provide on curb cut ramp to sidewalk 48" square	\$	340
Facility Access - Provide on 6 LF x 3' ramp to east door	\$	460
Exterior - Relocate east entry door 12" to west and provide 5' X 5' concrete landing.	\$	620

MEMORANDUM

State of Alaska

TO: Dave Waldren
Department of Transportation

DATE: March 7, 1984

FILE NO:

TELEPHONE NO: (907) 465-2814

FROM: Theda Mason Ellis
Facilities Specialist
Vocational Rehabilitation

SUBJECT: Accessibility Day

The Division of Vocational Rehabilitation developed a committee of five handicapped people to review state buildings. Committee members consisted of people with various mobility impairments and a visually impaired person. The committee completed the review of four state buildings (the State Building, the Alaska Office Building, the Court Building, and the Museum) which have the greatest needs for accessibility and will continue with those efforts over the next few weeks to complete the rest of the review.

The team believes that it is most important for the State Office Building and the Alaska Office Building to be accessible and therefore place their priorities on accessibility on these two buildings. Additionally, some recommendations made concerning bathrooms, elevators, and so on will be uniform throughout all buildings and the priority would be in the building priority rather than the item priority.

Priorities

<u>Item</u>	<u>Cost</u>	<u>Priority</u>
State Office Building and Alaska Office Building		
Build a ramp from Willoughby Avenue to the SOB entrance.	\$10,000	1
Improve the handrail currently on the outside stairs at the Willoughby entrance. The current rail was determined to be decorative only - not useful.	\$ 2,000	2
Build a ramp which would enter the Alaska Office building or the seventh floor of the State Office Building from Main Street near the municipal library.	\$10,000	3

The review team does not believe that it is adequate that handicapped individuals have access to this complex of two buildings only through the Willoughby Street entrance. The additional time necessary to go back through Willoughby and walk or wheel around to Main Street to have access to the rest of the downtown area is not reasonable and may require an excessive expenditure of energy for disabled individuals.

Item	Cost	Priority
Improve accessibility of restrooms in the SOB and AOB by widening doors for wheelchair use (a minimum of 32").	?	4
General recommendations for all bathrooms include:		5
a. Lower the paper towel dispenser and move it closer to the sink.		
b. Lower the mirror.		
c. Change the hardware in one sink in each bathroom to have long lever action handles and an extended faucet. The cost will be \$80 per unit. As new sinks are installed, one should extend further for wheel chair users.		
d. Lower tampon dispensers.		
Put adaptable hardware on all entrance/exit doors (attachable door latches fit over existing door knobs).	?	6
Install adequate signage. This includes marking the elevator's location in the parking garage (which would benefit everyone).	\$ 650	7
a. Signs should be lowered to 4 1/2 feet high and made of contrasting colors for the visually impaired.		
b. A directory should be placed in a prominent position on the 8th floor of the SOB.		
Widen the door to the parking area.	?	8
Modify elevators in all buildings with the following:		9
a. Lengthen the time the doors pause in the open position.	no cost	
b. Remove trash cans from in front of the call button.	no cost	
c. Provide raised or braille numbers.	\$ 108	

Item	Cost	Priority
d. Lower call buttons outside the elevator to 43"-45". Add a lower panel of elevator buttons or lower 1 (of 2) panel.	\$ 6,000	10
Lower 1 telephone in each building.	?	11
Parking sign at AOB.	\$ 200	12
Provide parking at AOB.	?	13
Replace, revise drinking fountains.	?	14
Reduce the "pull" required to open all doors, particularly between the SOB and AOB.	?	15

* It is not acceptable to have to use the restrooms in another building. A disabled worker would not have the time away from the workplace to travel that far; may not have the physical stamina and most likely cannot open the door.

Alaska Court Building

Build a curb cut.	?	16
Implement previous recommendations concerning restrooms, elevators, lowering telephone, signage.		17
Provide parking spaces recommended.	\$ 5,000	18
The exterior doors are not a problem. If they are widened, we recommend that electric doors be installed, and that clearance be 36".	?	19

Alaska State Museum

The committee rejects the suggestion to build a unisex bathroom only for the handicapped. If unisex restrooms are used for everyone, they are fine. The both rooms are first priority in the museum.

Parking with signage.	\$ 500	20
Improved curb cuts.	\$ 250	21
Install beveled thresholds.	\$ 200	22
Automatic door openers.	\$ 3,000	23

<u>Item</u>	<u>Cost</u>	<u>Priority</u>
Improve availability of the elevator. The elevator is locked. The guard provides a key. If the elevator only opened to floors serving the public with private floors locked, the building would be much more accessible.		24
Make elevator and bathroom changes recommended for all state buildings.		25
Additional/Improved lighting. (Lighting is too dim for visually impaired).		26
Replace door handles with levers.		27
Lower placement of signs (improve lighting, etc.).		28
Install raised numbers at doors.	\$ 200	29
Install tactile identification.	\$ 300	30

MEMORANDUM

State of Alaska
Department of Transportation and Public Facilities

TO: Larry Bussone
Assistant Ombudsman
Office of the Ombudsman

DATE: February 14, 1985
FEB 15 1985

FILE NO:

JUNEAU

TELEPHONE NO: 789 OFFICE OF OMBUDSMAN

FROM: David L. Waldron, Director
Maintenance and Operations
Southeastern Region

SUBJECT: Handicapped Access

The following is a progress report on our Handicapped Access Program:

- (1) Ramp from Calhoun Avenue/4th Street to Alaska Office Building, 2nd Floor-A & E (Kramer, Chin & Mayo) is being retained to perform design; construction will begin in summer, 1985 pending availability of funds.
- (2) Ramp from Willoughby Avenue to level P-2 lobby, State Office Building -A & E firm (Kramer, Chin & Mayo) is being retained to perform design; construction will begin summer, 1985 pending availability of funds.
- (3) Restrooms in Alaska Office Building and State Office Building -Nikariya Enterprises has a contract to modify men's and women's rooms in the State Office Building (8th Floor) and Alaska Office Building (2nd Floor). Estimated completion is March, 1985.
- (4) National Guard Armory restrooms -Nikariya Enterprises is modifying two restrooms; estimated completion February, 1985.
- (5) Community Building ramp to 3rd Street and toilet room renovations -We are designing an access ramp, which will be constructed as a change order to another contract we have in the building. We have also made temporary modifications to the first floor women's room to accommodate a DC & RA employee; an A & E firm will be retained to design more extensive permanent modifications to three restrooms. Handicapped access doors are under contract.
- (6) Alaska State Museum elevator -Otis Elevator Co. has modified the elevator hall and car controls to permit unattended use by the handicapped.
- (7) Alaska Office Building 3rd Street Handrail -We are currently designing a replacement handrail to assist the moderately handicapped (and others) who must negotiate this steep sidewalk in winter.
- (8) Ketchikan Court & Office Building handicapped parking -We have restriped and signed two parking stalls near the main entrance for handicapped use. To facilitate access to the main door, a small ramp was also constructed.

Memorandum
Larry Bussone

February 14, 1985

- (9) Alaska Office Building entry doors at 3rd, 4th and Main Street entrances have been replaced with units conforming to the Code.
- (10) Elevator tactile signage
-We now have Braille/tactile hall and car button tags, which will be installed by April, 1985.

Also attached is a memo from Division of Vocational Rehabilitation concerning this same problem.

DLW:cjh

cc: Jonathan S. Scribner, Deputy Commissioner

MEMORANDUM

State of Alaska

TO: David Waldren
Director, Maintenance and Operations
Department of Transportation

DATE: November 29, 1984

FILE NO: M3-521

TELEPHONE NO: (907) 465-2814

FROM: Michael C. Morgan *Mem*
Director, Vocational Rehabilitation
Department of Education

SUBJECT: Handicapped
Accessibility, SE
Region Buildings *[Signature]*

I have had the opportunity to read your progress report for correcting handicapped accessibility problems here in Juneau and the rest of Southeast. We are very pleased with the progress that is being made and appreciate your efforts.

DIRECTOR, M & O	_____
SECRETARY	_____
MGR. HWYS. & APT.	_____ <i>[Signature]</i>
BUILDINGS MGR	_____ <i>[Signature]</i>
MAINTENANCE ENG.	_____
OTHER	_____



COMMITTEE REPORT
SENATE

FURTHER:

2/26/86

Date 4/16/86

Mr. President

The Committee on FINANCE considered HB 377

requiring inclusion of recommended plans for improving access by the handicapped to public buildings and facilities in the capital improvement program recommended by the governor to the legislature.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title _____
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
B 9FC
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

J. Kottler
Rick Halford
Paul Smith
McGowan
Ferguson
Jacobs

Jan Fuchs
Chairman

do pass
Chairman recommendation

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : HB 377
 Title : Plans for improving public access
 Sponsor : Goll & Koponen
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : DOT/PF
 BRU : _____
 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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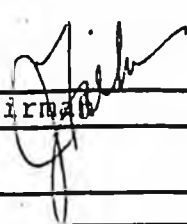
FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

Prepared by : Senator Jan Faiks, Co-chairman  Phone : 465-4523
 Division : Senate Finance Committee Date : 4/17/86
 Approved by Commissioner : _____ Date : _____
 Agency : _____

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Introduced: 4/15/85
Referred: Transportation
and Finance

1 IN THE HOUSE

BY GOLL AND KOPONEN

2

HOUSE BILL NO. 377

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act requiring inclusion of recommended plans for
7 improving access by the handicapped to public build-
8 ings and facilities in the capital improvement
9 program recommended by the governor to the
10 legislature."

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

12 * Section 1. AS 37.07.060(a) is amended to read:

13 (a) The governor shall formulate the operating and capital
14 improvements programs and financial plans required to be recommended
15 to the legislature by AS 37.07.020 after considering the state agency
16 proposed program and financial plans, and other programs and alterna-
17 tives that the governor considers appropriate. The plans shall
18 include the governor's recommended goals and policies, recommended
19 plans to implement the goals and policies, recommended operating
20 program for the succeeding fiscal year, recommended capital improve-
21 ments program for the succeeding six fiscal years, recommended pro-
22 grams for the upgrading of public buildings and facilities prepared in
23 accordance with AS 35.10.015, and recommended revenue measures to
24 support the programs.

STATE OF ALASKA 1985 LEGISLATIVE SESSION

FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 377
Title: Plans for Improving Access
to Public Facilities
Sponsor: Goll & Koponen
Requestor: _____
Date of Request: _____

FISCAL DETAIL

Agency Affected: DOT&PF
Program Category Affected: Transportation
BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Daniel F. Malick *DM* Phone: 465-4070
Division: HQ Plans & Programs Date: 4/24/85
Approved by Commissioner: *Dick Hagg* Date: 4/24/85
Agency: DOT&PF

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Jim
5/6

7/1/84

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

2/5/86

Date 2-25-86

Mr. President

The Committee on HESS considered HB 377

requiring inclusion of recommended plans for improving access by the handicapped to public buildings and facilities in the capital improvement program recommended by the governor to legislature.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" [] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Joe Josephson
William Fungulinski
Edna McVie

Detlor Fabrensky
Chairman

Chairman recommendation _____

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 373
 Title: Repealing the regulation
of Concert Promoters
 Sponsor: Rep. Marrou
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Economic Dev.
 Program Category Affected: _____
Consumer Protection
 BRU, Program or Subprogram(s) Affected: _____
Occupational Licensing

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE	[.1]	[.1]	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS		-0-	-0-	-0-	-0-	-0-
OTHER						
TOTAL		-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Because of the required documents that must be submitted for licensing, the time of one staff person has been a necessity in only a minimal amount. The person assigned also has the responsibility of licensing construction contractors and geologists.

(See continuation attached)

Prepared By: Jennifer Strickler, Management Analyst. Phone: 465-2144

Division: Occupational Licensing Date: April 23, 1985

Approved by Commissioner: Loren H. Lounsbury Date: 4/24/85
 Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

HB 373 Analysis, continued

The statute as written requires posting of a cash deposit or bond in the amount of \$5,000.00. This account must be reconciled by an individual other than the person posting the account. At present, there are five licensees which are subject to biennial license renewal, two occurring in FY '85, and three in FY '86.

Introduced: 4/12/85
Referred: Labor & Commerce
and Finance

1 IN THE HOUSE

BY MARROU

2

HOUSE BILL NO. 373

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act repealing the regulation of concert pro-
7 moters."

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

9 * Section 1. AS 08.92 is repealed.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

HB 373

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 373
 Title: Repealing the regulation
of Concert Promoters
 Sponsor: Rep. Marrou
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Economic Dev.
 Program Category Affected: _____
Consumer Protection
 BRU, Program or Subprogram(s) Affected:
Occupational Licensing

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE	[.1]	[.1]	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Because of the required documents that must be submitted for licensing, the time of one staff person has been a necessity in only a minimal amount. The person assigned also has the responsibility of licensing construction contractors and geologists.

(See continuation attached)

Prepared By: Jennifer Strickler, Management Analyst Phone: 465-2144

Division: Occupational Licensing Date: April 23, 1985

Approved by Commissioner: Loren H. Lounsbury Date: 4/24/85

Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

HB 373 Analysis, continued

The statute as written requires posting of a cash deposit or bond in the amount of \$5,000.00. This account must be reconciled by an individual other than the person posting the account. At present, there are five licensees which are subject to biennial license renewal, two occurring in FY '85, and three in FY '86.

Alaska State Legislature

COMMITTEES:

Committee on Community and Regional Affairs
Committee on Transportation
Special Committee on Oil and Gas
Special Committee on Fisheries
Finance Sub-committee on Fish and Game

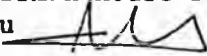


District 5

Kenai	Sterling
Soldotna	Anchor Point
Homer	Port Graham
Seldovia	English Bay
Kachemak	Nikolaevsk
Kaslof	Halibut Cove
Ninilchik	Clam Gulch

Andre Marrou
Representative

April 24, 1985

To: Al Adams, Chairman House Finance
From: Andre Marrou 

Subject: HB 373, Deregulation of Concert Promoters

HB 373 was introduced to alleviate a glaring and ludicrous application of the law. As of April 23, there are 5 licensed concert promoters in the state of Alaska. The Department of Commerce and Economic Development estimates that the annual cost of regulating this occupation is \$21,000. If HB 78, Occupational Licensing Fees Set by DCED, is signed into law, it can be deduced that some larger portion of these administration costs will be born by these 5 promoters.

This will probably result in fewer than 5 licensed concert promoters in the State. Thus, in the name of "consumer protection", we will have made it virtually impossible to promote stage performances legally. However, the demand for quality entertainment will not diminish. It will otherwise most likely be provided by those very people whom we seek to protect the public from; that is, people who are willing to break the law to provide this service.

On a broader, more philosophical perspective, occupational licensing just doesn't work as it is intended to. In fact, what really happens is just the thing we were trying to avoid in the first place--that is, higher prices and poorer service. Anything that limits competition will have this effect. The best way to protect the consumer is to maximize competition and to encourage promoters to stand upon their reputations as professionals. As Milton Friedman, Nobel Laureate in 1977 so eloquently states:

"Perfection is not of this world. There will always be shoddy products, quacks, con artists. But on the whole, market competition, when it is permitted to work, protects the consumer better than do the alternative government mechanisms which have been increasingly superimposed on the market." *

In researching the origins of this law, my staff quoted some interesting comments made by the Senate Commerce Committee on May 13, 1977. While they were deliberating this legislation (HB 185), Chairman Brad Bradley made the following comments (and I quote): "Hippy concerts"; "A rowdy hippy bunch that got out of hand"; "legitimate performers". Senator Kay Poland said we should "get the dope act."

* Free To Choose; by Milton Friedman, 1979, page 222.

It appears from the content of these tapes that the Senate Commerce Committee was more interested in controlling behavior than they were in protecting consumers. Tapes from the House Judiciary Committee were indecipherable. Floor action tapes were unavailable due to time constraints. From what I have been able to learn, this law is a knee-jerk reaction to a promotion sponsored by the Anchorage Jaycees in which somebody absconded with the money.

There are currently 14 members of the current Legislature who voted on both sides of this law. Perhaps they could be contacted for more information.

Passing this bill would provide for more entertainment opportunities as well as saving the State some money. I urge its passage.

Introduced: 4/12/85
Referred: Labor & Commerce
and Finance

1 IN THE HOUSE

BY MARROU

2

HOUSE BILL NO. 373

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act repealing the regulation of concert pro-
7 moters."

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

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