

LEGISLATIVE FINANCE-HOUSE / SENATE FINANCE COMM. FILES 8879

HCR 27 - 52

414

5

HCR

27

SENATE COMMITTEE REPORT

FURTHER

4/11/89

DATE TURNED INTO OFFICE 4/17/89

Mr. President:

FINANCE

Committee considered HCR 27 am

state's Russian Orthodox churches

and recommended

- replace with 5 CS HCR 27(FIN)) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and _____) technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

- FISCAL NOTE(S) zero fiscal impact appropriation no FN
- new updated previous
- same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures: Paul H. ...]

[Handwritten signature: Jim Duncan]

[Handwritten signature: Brad ...]

[Handwritten signature: Paul ...]

[Handwritten signature: Pearce]

[Handwritten signature: Rich ...]

 Chairman signature and recommendation

Committee Backup attached *[Handwritten: Col. ...]* *[Handwritten: ...]* *[Handwritten: DO-PASS]*

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SCS HCR 27 (Fin)

PUBLISH DATE: _____

FISCAL NOTE

REQUEST: _____

REVISION DATE: _____

AGENCY: Office of the Governor

TITLE: Relating to the state's
Russian Orthodox churches

BRU: _____

SPONSOR: Jacko, Hoffman, et al

COMPONENTS: _____

REQUESTOR: Senate Finance

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERS. SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND/BUILD.	0	0	0	0	0	0
GRANTS/CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL	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 FUNDS	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS:

PREPARED BY:


SENATOR/RICK UEHLING, CO-CHAIRMAN
SENATE FINANCE COMMITTEE

DATE: April 17, 1989

PHONE No.: 465-4821

4/17/89 JB
Adoption
Adopted

6-1072H ✓
Ford/Lauterbach
4/15/89

Original sponsors: Jacko, Hoffman,
Foster, et al.

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 SENATE CS FOR HOUSE CONCURRENT RESOLUTION NO. 27 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Relating to the state's Russian Orthodox
6 churches.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS the history of the state has been enriched by the contribu-
9 tions of its early Russian settlers; and

10 WHEREAS Russian Orthodox churches have been built in many parts of the
11 state, including the Aleutian Islands; the Kenai Peninsula; the Bristol
12 Bay, Cook Inlet, and Nushagak regions; the Yukon-Kuskokwim delta; the
13 Seward Peninsula; and Southeast Alaska; and

14 WHEREAS the state's Russian Orthodox churches and the cathedrals at
15 Unalaska, Sitka, and Kenai represent the Russian heritage that is today
16 reflected in the religion and traditions of many of the state's Native
17 people; and

18 WHEREAS Unalaska's Holy Ascension Russian Orthodox Church, portions of
19 which may date from 1826, has a rich collection of icons, which are reli-
20 gious objects executed in the Russian Orthodox style, books, and other
21 artifacts that convey the craftsmanship and artistry of the Aleut and
22 Russian people; and

23 WHEREAS in 1970 the United States Secretary of the Interior designated
24 Holy Ascension Russian Orthodox Church as a national historic landmark
25 because of its exceptional value to our nation's history; and

26 WHEREAS the long-term preservation of the church and the valuable
27 artifacts that it contains is being jeopardized by the serious deterio-
28 ration of the church, thus endangering one of the most significant col-
29 lections of Russian Orthodox art in the state; and

1 WHEREAS it is important that steps be taken to preserve the history
2 contained in those Russian Orthodox church buildings located across the
3 state that are listed in the National Register of Historic Places and that
4 are historic landmarks to ensure that future generations can benefit from
5 the rich cultural and religious contributions of Russia; and

6 WHEREAS the Alaska Regional Office of the United States National Park
7 Service, which is preparing an historic American building survey, and the
8 Icon Preservation Task Force have expressed an interest in participating
9 with the state in compiling an inventory and documentation of the Russian
10 Orthodox churches in the state;

11 BE IT RESOLVED that the Alaska State Legislature requests the Governor
12 and the state office of history and archeology to inventory and document
13 the art and architecture of the state's Russian Orthodox churches listed in
14 the National Register of Historic Places including, in particular, the Holy
15 Ascension Russian Orthodox Church in Unalaska.

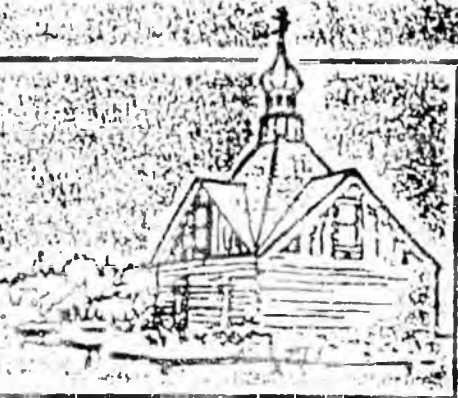
ICON NEWS

Published by the Icon Preservation Task Force

c/o Alaska Pacific University
Anchorage, AK 99508

Editor: Robert D. Craig

Newsletter #1, January 1988



FROM THE EDITOR

Welcome to the first issue of *Icon News*, a publication of the Icon Preservation Task Force, a group of community members interested in the preservation of Alaska's rich historical legacies - the icons and architecture of the Russian Orthodox Church in Alaska.

Icon News will appear occasionally as needed by the Task Force. Should you wish to remain on our mailing list for a complimentary copy of the newsletters, you must complete the attached form and return to the address above.

This new year brings new hope and an optimistic attitude toward the development of the Icon Preservation Task Force and the accomplishment of our goals of recording and preserving the significant artistic, architectural, and written resources of the Russian heritage in Alaska.

For the past year and a half we have been working to get organized. Our efforts have been slow at times, but as we have come to realize in the preparation of this newsletter, significant progress has been made!

It has always been the opinion of many of our members that once the goals of our Task Force are made known, the project will begin to sell itself. Our record over the past year and a half seems to validate that opinion.

Many of you have offered assistance in past months. Your cards and letters expressing interest and support are greatly appreciated. As we organize and develop, you will be taken up on those offers.

We hope that you are as excited about this project as we are and hope that we may become friends in the

coming months and years as we proceed with the inventory, documentation, and preservation of some of Alaska's most significant and pristine heritage resources.

The breadth and size of this project will require an extensive amount of labor and expertise, and we hope to continue with you in this challenging and worthwhile project.

We encourage your donations to the cause either financially (tax deductible) or donation of time. Please feel free to write with any suggestions you have to help further our work.

My personal appreciation is extended to Barbara Sweeland Smith and Steven M. Peterson who have spearheaded the work of the task force thus far and who have supplied most of the information for this newsletter.

HISTORICAL BACKGROUND

Alaska's first encounter with the West was Vitus Bering's Landfall in 1741 at Kayak Island. He claimed the land for Russia, and for the next 126 years, the Russians introduced education, literacy, administration, religion, architecture, and art into the new world.

This remarkable legacy is today nowhere more visible than in the Orthodox churches that dot the Alaskan hinterland from Sitka to Marshall on the Yukon River and from Juneau to Atka in the Aleutian Islands. Within these churches, remain the treasures brought and sent for by homesick, devout *promyshlenniki* (fur trappers), some given in thanksgiving for having been saved from shipwreck, others in honor of a tsar's birth, still others to adorn new places of worship.

The architecture, sacred utensils and books, and icons of the Orthodox church in Alaska are among the least known or understood of the major cultural resources of the United States. The value of this cultural resource is perhaps best expressed in the report, *The History of the Russian Orthodox Churches in Alaska*, prepared by the Legislative Reference Service of the Library of Congress in 1970:

"The history of the Russian Orthodox Church in Alaska constitutes one of the most impressive and rewarding areas of investigation in the whole field of American studies. Unfortunately, no major work has yet been done in the kind of detail needed; however, there exists a great deal of material for future scholarly examination..." (cont. page 2)

MEETING

February 15

7:30

APU Campus

Board Room
3rd Floor, University Hall

Everyone invited.

This exceptional material culture scattered throughout Alaska in more than eighty parish churches and chapels. Thirty-seven of these churches are National Historic Sites, and six are National Historic Landmarks. In only a few cases, however, has the artistic legacy of the Russians been inventoried or documented although nearly every church contains several objects of exceptional antiquity or artistic merit. Some of the objects date from the mid-seventeenth century. The churches themselves are an enduring reflection of Russia's cultural contribution to America. When viewed with the art and artifacts, they are a rich national architectural resource. But a resource at risk!

BISHOP'S LETTER

"I am writing to express my full support for the program of the Icon Preservation Task Force. For many years, our office has been concerned about the fate of historic churches and icons. The resources of our diocese and of the rural parishes do not allow us to undertake the kind of preservation work that is needed to conserve these treasures. We have done what we can as funds permitted, but time and the harshness of the Alaskan climate move faster than we can.

"In the last few years, the Orthodox diocese has worked cooperatively with federal, state, university, and local communities to preserve the historic documents of Russia's cultural impact on Alaska, a project which moved forward with a special appropriation from the Alaska Legislature, the Alaska State Library, and the Library of Congress. Now all Americans have available on microfilm the historic records of the Alaska mission. When St. Michael's cathedral burned in 1967, it was a Sitka citizen committee which organized the reconstruction project. Many other concerned Alaskans contributed thousands of dollars and hours of time to that effort, which was rewarded by reconstruction of

Come to our Annual Meeting.

Our annual meeting will be held on Monday, February 15, 7:30 p.m., APU Campus, 3rd floor, University Hall Board Room. An up-dated report will be given, a slide presentation by Barbara Smith, and then a discussion of our plans for the future. An Executive Steering Committee will be formed to broaden our network in the Alaskan community and to develop the scope of the program outlined in this newsletter. Call 561-1266 for directions.

Please come! Get involved in this exciting program to preserve our Russian-Alaska Heritage.

St. Innocent's great cathedral in 1976. Not only was the cathedral rebuilt with citizen guidance, but all of the icons had been rescued and preserved, thanks to the loving care of Sitka's population.

The concept of the current project, including an inventory of the historic treasures and then a phased approach to preservation including workshops in the villages, is very well conceived.

We understand that the intention is to retain all of the icons in the churches where they now reside. If they are removed, it will only be for necessary restoration, and/or brief display in an educational program.

"It is my pleasure to be associated with this dedicated group of Alaskans who have taken on such a big task, which we all know will take many years. Please be assured that my blessings are with your efforts."

Gregory, Bishop of Sitka and all Alaska, Orthodox Church in America.

ICON TASK FORCE

The Icon Preservation Task Force is a secular group organized in the spring of 1986 to launch a major effort aimed at preserving and, when necessary,

restoring the remarkable legacy of Russian culture in Alaska—a heritage resource significant to the people of Alaska and to the nation as a whole.

As time passes, these irreplaceable treasures are becoming increasingly vulnerable to deterioration, vandalism, and destruction. The Icon Preservation Task Force has been established to undertake a program to insure the preservation of this resource. The effort to preserve these treasures has proved beyond the resources of any single community or the Orthodox Church in Alaska.

The Task Force, made up of individuals just like you and me, functions under the auspices of the Alaska Association for Historic Preservation, a private statewide nonprofit corporation founded in 1981. With the full support of the Orthodox church officials in Alaska, the Task Force has resolved to undertake a long-range program to insure the preservation of the cultural resource by:

- creating public awareness and educational opportunities for the people of Alaska;
- sponsoring an inventory and documentation program to record the objects and historic structures within Alaska, both to serve as a useful historical and cultural reference;
- in a cooperative effort, assisting the Orthodox Church, the owners of the art objects, in the restoration,

preservation, and maintenance of the art objects, icons, and selected structures.

These goals will take many years to accomplish, but the time to begin is now. If you are interested in becoming active or supportive of our efforts, we welcome your membership and support of the Icon Preservation Task Force. (See membership application on back page.)

PILOT INVENTORY

The Task Force has signed an agreement with the Alaska Association for Historic Preservation (AAHP) to undertake a pilot inventory (February to April) of a single church's icons. The project will also result in a program design, a tentative budget for inventories of targeted churches, an inventory format, and identification of a suitable repository for materials generated by the icon project.

Father Paul Merculief, a well-known church scholar, will meet with Barbara Sweetland Smith of the Task Force and the Very Rev. Joseph Kreta, Chancellor of the Alaska Diocese of the Russian Orthodox Church in America. They will review the photographs taken by Kreta and Merculief on assignment for the state of Alaska between 1973 and 1975 of all the Orthodox sites in the state, an original project designed to produce nominations of Orthodox churches to the National Register of Historic Places. Thirty-seven nominations did result from their efforts.

From this review of churches, it will be possible to identify those sites which merit the attention of the project, for the icons they possess, and the historic value of the structure itself.

This initial project cost is \$3,120, which is greatly facilitated by a generous gift of air travel by Mark-Air. Other financial support comes from the National Trust for Historic Preservation and the Alaska Association for Historic Preservation.

ORIGINAL MEMBERS OF THE TASK FORCE

The first meeting of the Icon Preservation Task Force a year ago resulted in the following membership roster:

- Joan Antonson and Judy Bittner of the Alaska State Office of History & Archeology,
- Professor Lydia Black (UAF),
- John Blaine (Visual Arts Center, Anchorage),
- Bishop Gregory (Orthodox Church),
- Rev. Joseph P. Kreta (Chancellor of the Diocese of Sitka and Alaska, Kodiak),
- Gary Holthaus (Alaska Humanities Forum),
- Darcy Lockhart (Anchorage),
- Kate Lidfors (National Historic Landmarks Program, National Park Service),
- Janet McCabe (Executive Director, Alaska Association for Historic Preservation),
- Rev. Paul Merulief (Tyonek),
- Steven M. Peterson (Anchorage),
- Barbara Sweetland Smith (Anchorage), and
- Betzi Woodman (Anchorage).

DONATIONS

During 1987, several businesses, organizations, and individuals donated funds to the Icon Preservation project. We gratefully acknowledge the assistance of the following:

- The Alaska Association for Historic Preservation,
- National Trust for Historic Preservation,
- Shell Western,
- Chevron U.S.A.,
- MarkAir,
- Byron Birdsall,
- Frank Norris.

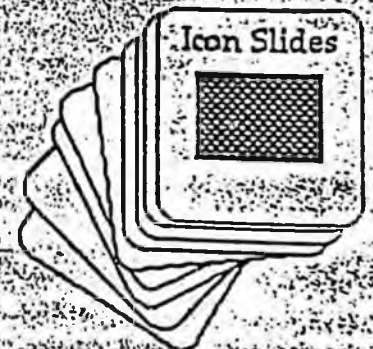
As you well know, donations are vital and provide critical funds, but they also show evidence of community support to the funding agencies to

which we will be appealing. The project is large and will ultimately involve many thousands of dollars. Checks should be made out to the Icon Preservation Task Force and mailed to the address on the front of the newsletter. The Task Force is a project of the Alaska Association for Historic Preservation and as such is a 501 (c)3 organization. Donations are therefore tax deductible.

KAKM PLANS DOCUMENTARY

KAKM has expressed an interest in developing a television special focusing on Alaska's religious art and culture of the Orthodox Church. General manager Elmo Sackett writes, "We're very excited about this project particularly because it fits so well to the commitment this station has made for a long time in the world of artists and artwork in our state." The Task Force will work closely with KAKM's artistic director, Eric Wallace, on this project.

SLIDE SHOW AVAILABLE



Barbara Sweetland Smith has compiled a 35 mm slide presentation regarding icon resources in Alaska and the goals of the Task Force. She made a stimulating presentation before the Alaska Association for Historic Preservation (AAHP) at its annual meeting in December. The slide presentation is available for other groups. Contact the Task Force at the address above to schedule a program for your group.



Although maintenance work is done on a continuing basis, severe weathering conditions and structural problems threaten the long-term preservation of this magnificent church. Photo: CCC Architects

Landmark Condition

Although the church building is regularly painted and maintained, the cost of undertaking extensive, essential repairs to the foundation, cupola, and roof have been prohibitive for its parishioners. The property's location on the edge of an inlet means that the weathering process is unceasing. At this point, there is a serious structural problem at the bell tower dome and the central nave dome. Intrinsic to the Orthodox faith and fundamental to their services are the iconostasis, religious artifacts, and art objects within the church. These treasures remain in poor condition; uncatalogued, with little protection, and kept in an uncontrolled environment without curatorial care. Major funding will be required to meet the preservation needs of this significant structure for continued public appreciation.

Recommended Work/Costs

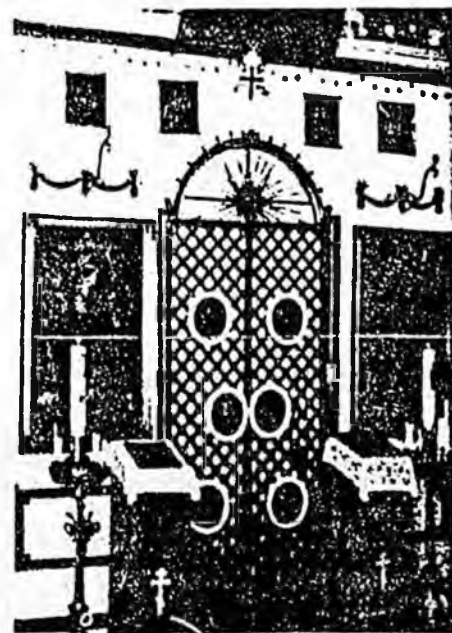
Data has been taken from a National Park Service-funded report, "National Historic Landmark Condition Assessment Report: Holy Ascension Orthodox Church, Unalaska, Alaska" by CCC Architects, Anchorage, Alaska. Work recommended for the church exterior totals almost \$423,000. Of that amount, \$198,000 will be needed to cover the costs of work considered critical to the longevity of the church, including partial replacement of foundation piers, major work on the bell tower, and replacement of deteriorated wood in the onion domes and decking. Another \$130,000 will be needed to correct serious exterior problems, such as providing proper ventilation for the foundation and replacing rotted wood "skirting" at the perim-

eter of the foundation. Finally minor problems, consisting mostly of replacing siding that has deteriorated under multiple layers of paint, then repainting with original colors, could be corrected for about \$95,000.

Total interior work is estimated at \$328,000. Of that amount, an estimated \$273,000 is for work deemed critical, including inventorying, cataloging, and cleaning the church icons based on a conservation plan; and replacing rotted flooring. Other interior work rated serious and minor would cost about \$55,000, and includes repairs to rotted horizontal ceiling members in both the central nave and bell tower due to long-term moisture penetration, and replacement of some floor joists. Finally, door trim and frames need repairing, and the entire interior should be repainted to match the original colors.

Incorporating a fire detection system in the church interior, and upgrading heating and electrical systems, are other needs deemed to be critical both to the longevity of the structure and its contents. Providing a fire protection system with auto glazers to the fire department will cost about \$15,600. Installation of an HVAC system to provide proper temperature and humidity control is estimated at \$108,000. An additional \$6,800 will be required to provide a fuel tank appropriate for the proposed HVAC system. The old electrical system will be inadequate when the climate control system is installed; a new panel box, wiring and service to meet code will be required and this is estimated at about \$22,500. Finally, cleaning and polishing the church chandeliers will cost about \$2,500.

The architects' detailed assessment is available from National Park Service offices (see HOW YOU CAN HELP, over).



The chapel's significant art work is in urgent need of conservation. Photo: CCC Architects

HOLY ASCENSION ORTHODOX CHURCH

Unalaska, Alaska

Its earliest portions dating from 1826, Holy Ascension Orthodox Church is significant as the oldest church in Alaska that features a cruciform plan with three altars. (The three-one story wings and the three-story front tower were added in 1894.) Of particular importance is the interior, with its rich collection of icons—religious objects executed in the Russian Orthodox style that convey the craftsmanship and artistry of the Aleut people.

Although the imposing white wood-frame

church almost seems out of place on the shore of a small Aleutian village, its presence is easily explained by historians. After the sale of Alaska to the United States, Unalaska and Sitka became vital economic and religious centers; the church diocese shared administrative responsibilities and each city had its cathedral. This picturesque Church is a visual reminder of the important role of both Russian contact and the Orthodox religion, not only among the Aleuts, but in North America

as well. In 1970, the Secretary of the Interior designated Holy Ascension Orthodox Church a National Historic Landmark for its exceptional value to our Nation's history.

Unfortunately, at this date, the long-term preservation of the Church is being jeopardized because of serious building deterioration. Also at risk is what may represent the largest collection of Russian Orthodox art in Alaska.

LANDMARKS AT RISK HOW YOU CAN HELP

Over 150 deteriorating and endangered National Historic Landmarks across the country need your help now.

You can assist these National Historic Landmarks through donations of money, building materials, or professional services.

The National Historic Landmark Fund, administered by the National Park Foundation in conjunction with the National Park Service, makes possible TAX DEDUCTIBLE MATERIAL AND CASH DONATIONS by individuals, organizations, or companies.

Donations may be used to support threatened Landmarks in general or a Landmark of the donor's choice. Donors may select a Landmark to assist based on its associations with specific historic themes, events or individuals; its architectural style; its building type; or its construction material. Landmarks in need of various services or building products which correspond to a donor's business can also be selected.

The National Park Foundation and the National Park Service give priority to those Landmarks in which critical needs have been identified through professional evaluation and planning.

If you want to donate to the National Historic Landmark Fund, or would like additional

information on how you can help Landmarks at Risk, please call or write:

Landmarks at Risk

National Park Service
Preservation Assistance Division
P.O. Box 37127
Washington, DC 20013-7127
(202) 343-9581 or

The National Park Foundation
P.O. Box 57473
Washington, DC 20037
(202) 785-4500

For information on how you may help Holy Ascension Orthodox Church in Unalaska, Alaska, contact the following offices and organizations:

National Park Service

Alaska Regional Office Cultural Resource
Division
2525 Gambell St.
Anchorage, AK 99503
(907) 271-2638

State Historic Preservation Office

Alaska Division of Parks and Outdoor
Recreation
History and Archeology
P.O. Box 7001
Anchorage, AK 99510
(907) 762-4141

Local/State Preservation Groups

Alaska Association for Historic Preservation
524 West Fourth Avenue, Suite 203
Anchorage, AK 99510
(907) 274-2311

Owner Contact

Rev. Ismail Gromoff
P.O. Box 40
Unalaska, AK
(907) 581-1353

FISCAL NOTE

REQUEST:

Revision Date: 4/4/89 Agency Affected: Office of the Governor
 Title: Relating to the state's Russian
Orthodox churches BRU: _____
 Sponsor: Jacko, Hoffman, Foster, Leman, C. Davis _____
 Requestor: House Resources Committee Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
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	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: House Resources Committee Phone: 465-2487
 Division: Representative Cliff Davidson, Chairman Date: 4/4/89

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by preparer):

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

000334

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSSCR 24 (Resources)

PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: 5-Apr-89 Agency Affected: Natural Resources

Title: Russian Orthodox Churches BRU: Parks & Outdoor Recreation

Sponsor: Senator Faiks Components: Historic Resource Mgt

Requestor: Senator Faiks

(INFORMATION ONLY)

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL		41.0				
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		41.0				
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	41.0				

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Of the \$41.0, \$37.3 will fund the inventory and documentation of the art and architecture of the 19 Russian Orthodox churches listed on the Register of Historic Places as described in the attached. The remaining \$3.7 is for administration of the project by the State Office of History and Archeology.

Prepared by: Carol Wilson Phone: 465-2400
Division: Commissioner's Office Date: 5-Apr-89

Approved by Commissioner: Lennie Gorsuch Date: 5-Apr-89
Agency: Department of Natural Resources

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

RECEIVED
APR 10 1989

LEGISLATIVE FINANCE

FISCAL NOTE
FOR SC24
(SIMILAR
LEGISLATION)
FOR COMPARISON
PURPOSES.

A PROPOSAL FOR THE INVENTORY AND DOCUMENTATION
OF
THE CHURCH OF THE HOLY ASCENSION, UNALASKA
AND
HABS PHOTO DOCUMENTATION OF NATIONAL REGISTER CHURCHES

Two Soviet architects will be coming to Alaska in 1989 to assist in the documentation of the landmark churches at St. Paul and St. George as part of an international cultural exchange. With additional funding we hope to expand the scope of this international effort and broaden the cooperative effort of the Icon Preservation Task Force to include the State of Alaska and the federal government.

The work will be accomplished under the supervision of the Icon Preservation Task Force, working with the Alaska Association for Historic Preservation (a nonprofit 501c(3) corporation). The work undertaken with the State funds will be done in cooperation with the National Park Service and the Alaska Dioceses of the Orthodox Church.

SCOPE OF WORK: 1. Prior to October 1, 1989 a team, consisting of a curator, an architect, an historian, members of the church, and an objects photographer are to visit and complete a computer inventory of The Church of the Holy Ascension at Unalaska. The inventory will document, for scholarly purposes, the contents of the church and will serve as a document which establishes priority in the preservation and restoration of the building and the icons and religious artifacts within. A total appropriation of \$21,450 is sought to cover personnel, travel and supplies.

2. A two year photo documentation project of the 37 Russian Orthodox Churches in Alaska will be undertaken. The professional, large format photographs will be used for scholarly purposes, as a permanent record to be kept in the HABS collection of the Library of Congress and for exhibit in Alaska. Funds are needed to cover contracting expenses with an icon expert, transportation, and per idem for the HABS photographer, IPTF liaison, and for supplies. \$15,762 is needed for the first year which will focus on 19 of the 37 churches.

3. The total funds requested for Phase 1 and 11 are \$37,212.

SCOPE OF WORK - ITEM #2 - HISTORIC AMERICAN BUILDING SURVEYS ON 19 CHURCHES
THROUGHOUT ALASKA

a.	HABS photographer	
	30 days in field	
	15 days in lab.....	*
	Per Diem 30 days @ \$80.....	\$ 2,400
b.	Icon Expert	
	1 ea X \$200 X 45 days.....	*
	Per Diem 30 days X \$80.....	*
c.	IPTF Liaison	
	30 days in field.....	*
	Per Diem 30 days X \$80.....	2,400
d.	Transportation for 3 as listed above	
	Juneau (Cordova-Tatitlek, Sitka) @ \$366 ea.....	1,098
	Hoonah, Angoon @ \$100 ea.....	300
	Kodiak @ \$254 ea.....	792
	Kodiak-Old Harbor, Akhiok @ \$140 ea.....	420
	Kodiak-Ousinkie, Port Lions @ \$70 ea.....	210
	Kodiak-Karluk @ \$130 ea.....	390
	Kodiak-Spruce Island (boat charter).....	200
	Seldovia @ \$183 ea.....	546
	Unalaska @ \$754 ea.....	2,264
	Pribilofs-St. Paul, St. George @ \$866 ea.....	2,598
	Russian Mission @ \$428 ea.....	1,184
	South Naknek @ \$320 ea.....	960

ITEM #2 -	COST	\$15,762
ITEM #1 -	COST	<u>21,450</u>

TOTAL AMOUNT THIS PROPOSAL \$37,212**

*Funded by National Park Service and private donations

**Plus percentage retained by Office of History
and Archeology for grants administration.

BUDGET PROPOSAL

SCOPE OF WORK - ITEM #1 - INVENTORY AND DOCUMENT ART AND ARCHITECTURE
CHURCH OF THE HOLY ASCENSION
UNALASKA, ALASKA

a.	Curator - National Park Service	
	5 days in field.....	*
	5 days processing inventory.....	*
b.	Supervisory Priest (translator of Russian and Old Church Slavonic records)	
	1 ea X \$120 X 8 days.....	960
	Per Diem @ \$80 X 8 days.....	640
c.	IPTF Historian (Coordinate, assist with field inventory and edit report)	
	1 ea X \$120 X 25 days.....	3,000
	Per Diem @ \$80 X 8 days.....	640
d.	Museum Photographer (photograph every accessioned object, approximately 450)	
	1 ea X \$300 X 8 days.....	2,400
	Per Diem @\$80 X 8 days.....	640
e.	Architect Intern	
	15 days in field	
	45 days preparing HABS drawings.....	8,400
f.	Transportation	
	5 ea @ \$754 (round trip).....	3,770
g.	Supplies	
	film and processing.....	500
	report preparation/printing.....	500

ITEM # 1 - TOTAL COST....\$21,450

(BUDGET continued)

HCR

28

HOUSE COMMITTEE REPORT

File

(11)

Date Referred: April 6, 1989

FURTHER REFERRALS:

Date of Committee Action: 5/3/90

The FINANCE Committee considered:

HCR 28

HOUSE CONCURRENT RESOLUTION NO. 28

[EFFICIENCY REVIEW OF STATE GOVERNMENT]

Relating to efficient management and the cost of state government.

RECOMMENDATIONS:

- be replaced with CS HCS 28 (FIN) the same title
- a new title
- have attached amendment(s)
- do pass o
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- fiscal impact _____
- zero fiscal note (HFC) 5
- zero with analysis _____

- fiscal note(s) _____
- zero fiscal note(s) _____
- zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approx. column)

Do Not
Pass No Rec Amend

<u>Ronald J. Larson</u> Larson			
<u>Charles Swackhammer</u> Swackhammer			
<u>Tammy Brown</u> Brown			
<u>Marian Koponen</u> Koponen			
<u>J. Ulmer</u> Ulmer			
<u>Bill Phillips</u> Phillips			
<u>Steve Rieger</u> Rieger			

Chairman's Signature

Ronald J. Larson Larson

FISCAL NOTE

REQUEST:

Revision Date: _____ Title: <u>Re: Efficiency review of state government</u> Sponsor: <u>Rep. Leman</u> Requestor: <u>House Finance Committee</u>	Agency Affected: <u>Fish and Game Environmental Conservation</u> BRU: _____ Components: _____
--	---

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT		0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
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	-0-	-0-	-0-	-0-	-0-	-0-
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: House Finance Committee Phone: 465-3727
 Division: Co-Chairman Ron Larson Date: 5/3/90
 Approved by Commissioner: Co-Chairman Lyman Hoffman Date: 5/3/90
 Agency: *Lyman Hoffman*

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

Original sponsor(s): REP. LEMAN, Boucher, Hudson, Gruenberg, Collins, Pettyjohn, Furnace, C.Davis, Taylor, Hanley, Zawacki, Phillips, Ulmer

1 IN THE HOUSE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 28 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 Endorsing renewal of the Point Woronzof
6 NPDES permit with a variance from se-
7 condary wastewater treatment require-
8 ments.

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

10 WHEREAS in 1977 the United States Congress enacted sec. 301(h) of the
11 Clean Water Act allowing for the issuance of National Pollutant Discharge
12 Elimination System (NPDES) permits with variances from Environmental Pro-
13 tection Agency (EPA) secondary wastewater treatment requirements for marine
14 discharges of municipal wastewater meeting specific criteria; and

15 WHEREAS in October 1985 the Municipality of Anchorage was issued an
16 NPDES discharge permit with a variance from secondary wastewater treatment
17 requirements for its wastewater treatment facility at Point Woronzof; and

18 WHEREAS extensive testing of the plant effluent, Knik Arm receiving
19 water, and sediments has demonstrated that measurable negative effects to
20 the environment have not occurred because of the quality of the effluent,
21 dispersion by strong tidal currents, silt laden receiving water, and
22 limited indigenous life; and

23 WHEREAS in 1987 the Congress further amended the Clean Water Act to
24 require that recipients of a variance from secondary treatment requirements
25 provide a minimum of "primary treatment or equivalent"; and

26 WHEREAS the 1987 amendments included a definition of "primary or
27 equivalent treatment" that is unusually restrictive and does not conform to
28 the standard industry definition of "primary treatment"; and

29 WHEREAS the Point Woronzof primary wastewater treatment facility meets

1 all the technical requirements in sec. 301(h) for a variance from secondary
2 treatment requirements except for the EPA definition of "primary treatment"
3 that includes removal of at least 30 percent of the biochemical oxygen
4 demand; and

5 WHEREAS the EPA is in the process of adopting regulations to implement
6 the 1987 Clean Water Act amendments; and

7 WHEREAS it could cost more than \$100,000,000 to design and construct a
8 secondary treatment facility at Point Woronzof and an additional \$6,000,000
9 annually in operating costs if the EPA does not renew the municipality's
10 NPDES permit with a variance from secondary treatment; and

11 WHEREAS additional treatment will not result in measurable benefit to
12 the receiving water in Knik Arm; and

13 WHEREAS appropriation of funds for this project will detract from
14 funds that could be appropriated for more important water, sewerage, and
15 solid waste projects in Anchorage as well as throughout the rest of the
16 state;

17 BE IT RESOLVED that the Sixteenth Alaska State Legislature recommends
18 that the EPA use industry standards for primary treatment when adopting
19 regulations for the 1987 Clean Water Act amendments; and be it

20 FURTHER RESOLVED that the legislature endorses the renewal of the
21 Anchorage Point Woronzof NPDES permit with a variance from the requirements
22 of secondary treatment.

23 COPIES of this resolution shall be sent to William Reilly, EPA Admin-
24 istrator; Craig Vogt, Director, Office of Marine and Estuarine Protection,
25 EPA; Thomas Dunne, Acting Administrator, EPA Region 10; Dennis Kelso, Com-
26 missioner of Environmental Conservation; Tom Fink, Mayor of Anchorage; Rick
27 Besse, General Manager, Anchorage Water and Wastewater Utility; and to the
28 Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and
29 the Honorable Don Young, U.S. Representative, members of the Alaska delega-

1 tion in Congress.

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Official Business

Representative Loren Lemman

Alaska State Legislature

3111 C Street
Suite 425
Anchorage, Alaska 99503
561-7614

During Session:

P.O. Box V
Juneau, Alaska 99811
465-2095

MEMORANDUM

TO: Representative Ron Larson, Co-Chairman
Representative Lyman Hoffman, Co-Chairman
House Finance Committee

FROM: Representative Loren Lemman *Loren Lemman*

RE: CSHCR 28, Point Woronzof NPDES Permit Renewal

DATE: May 2, 1990

This resolution endorses the renewal of the wastewater discharge permit from the Anchorage Point Woronzof plant, with a continuation of the variance from the requirements of secondary treatment.

The Point Woronzof primary treatment facility treats sewage from the Anchorage bowl area. It has operated at the Point Woronzof location for more than 20 years. In 1985, Anchorage was successful in getting a variance from the requirements of secondary treatment. The existing permit expires in October 1990.

I am not aware of opposition to the permit renewal. The Alaska Department of Fish and Game and Department of Environmental Conservation concur in this reissuance and have issued letters of support or non-objection.

If Anchorage is required to construct additional treatment facilities, the design and construction cost could be \$100 million or more; the increase in the annual operating cost could be \$6 million. This translates into an increase for the residential consumer of \$20 to \$30 per month, depending upon the availability of grants and sale of bonds.

Because of the quality of the Knik Arm receiving water and strong tidal currents, increased treatment will produce negligible environmental benefit. It is not necessary to protect water quality in the Anchorage area.

I have worked as a professional engineer on the Anchorage sewerage system for the past 15 years, including implementation of the existing monitoring program. I highly endorse this resolution and the reissuance of the NPDES permit with secondary treatment variance.

INTRODUCTION

The Municipality of Anchorage (MOA) has successfully operated the John M. Asplund Water Pollution Control Facility under its existing 1985 NPDES permit and 301(h) variance. NPDES permit number AK-002255-1 expires at midnight, October 15, 1990.

MOA is applying for a renewal of its NPDES permit and 301(h) variance from secondary treatment. This renewal application is the culmination of a very extensive monitoring program and 3 years of work to comply with the Clean Water Act and its 1987 amendments, the Water Quality Act of 1987. MOA staff and our consultants, CH2M HILL, have met six times in Seattle with EPA Region X staff and two times in Washington, D.C. with EPA Headquarters staff. These very productive meetings have helped MOA direct its renewal efforts in the proper direction to meet all the federal requirements for primary effluent discharge to marine waters.

The State of Alaska adopted revisions to the water quality standards for fresh and marine waters in 1987. We met numerous times with Alaska Department of Environmental Conservation (ADEC) staff in Anchorage, Juneau, and Seattle to be able to comply with all of ADEC's requirements for discharge to marine waters.

Continuation of the 301(h) variance to the secondary treatment requirements of the federal regulations is of utmost importance to the MOA. A secondary treatment plant would cost MOA over \$100 million to build and would be very expensive to operate and maintain, with virtually no measurable benefit to the receiving water, the Knik Arm of Cook Inlet.

The receiving water and environs of the Knik Arm are atypical of estuaries. Knik Arm's extreme tidal range (average of 30 feet), current ranges of 3 to 5 knots, and typical sediment loads of 1,000 mg/l result in a capacity to easily assimilate MOA's treated wastewater effluent. No impacts have been measurable from the existing discharge to the very sparse biological community or to the minimal recreational uses of the area. The Knik Arm of upper Cook Inlet provides an ideal situation for discharge of nonindustrial primary effluent without harm to the environment.

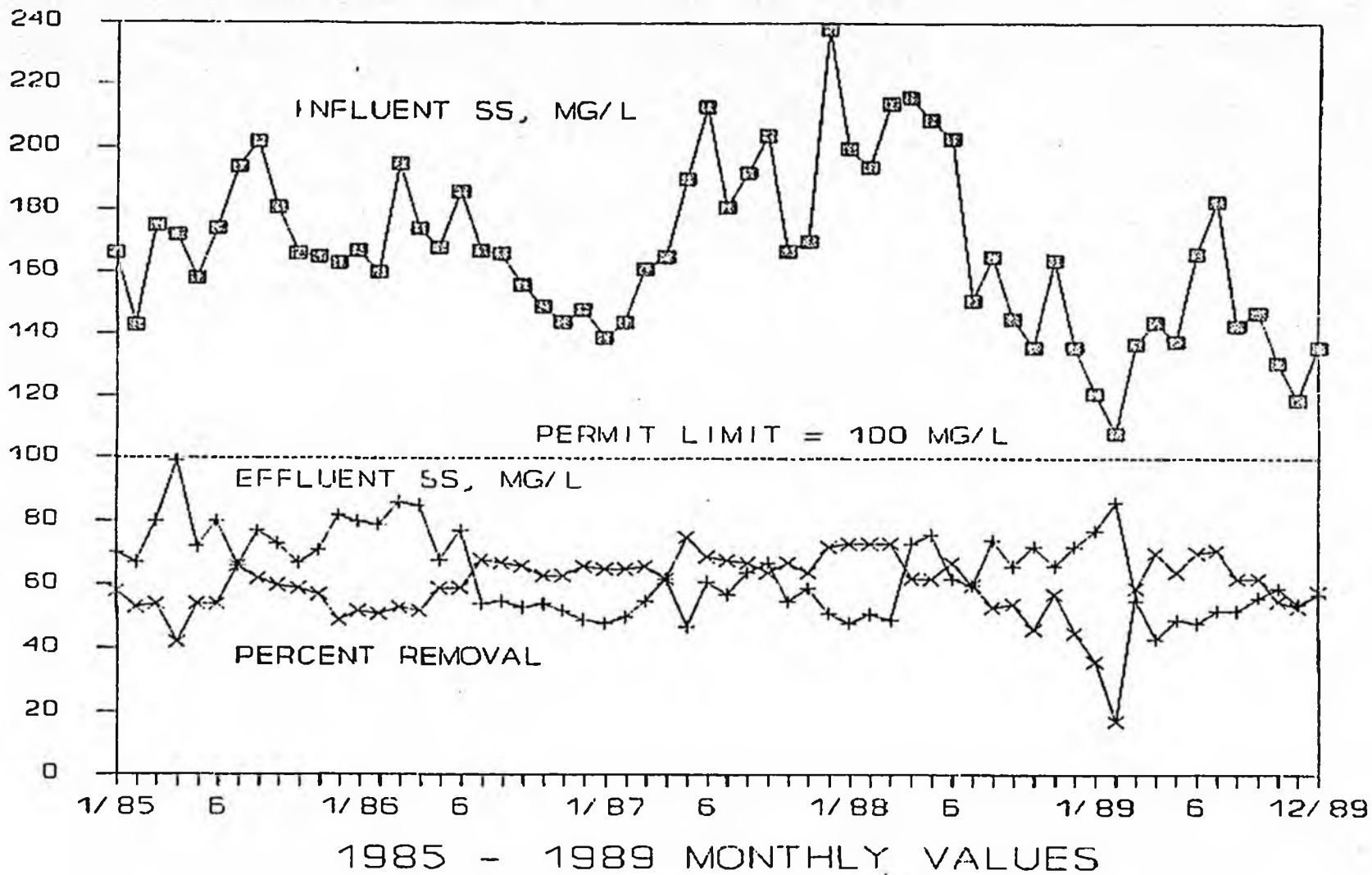
MOA proposes to make a minor improvement to its discharge by adding reducers to the three existing discharge ports. This improvement is required because the effluent flow rate increase predicted in the 1984 permit application has not occurred. The reducers will provide increased discharge velocity into Knik Arm.

This permit renewal application demonstrates that the treatment plant discharge will comply with all federal and state requirements for discharge of primary effluent to the Knik Arm of Cook Inlet.

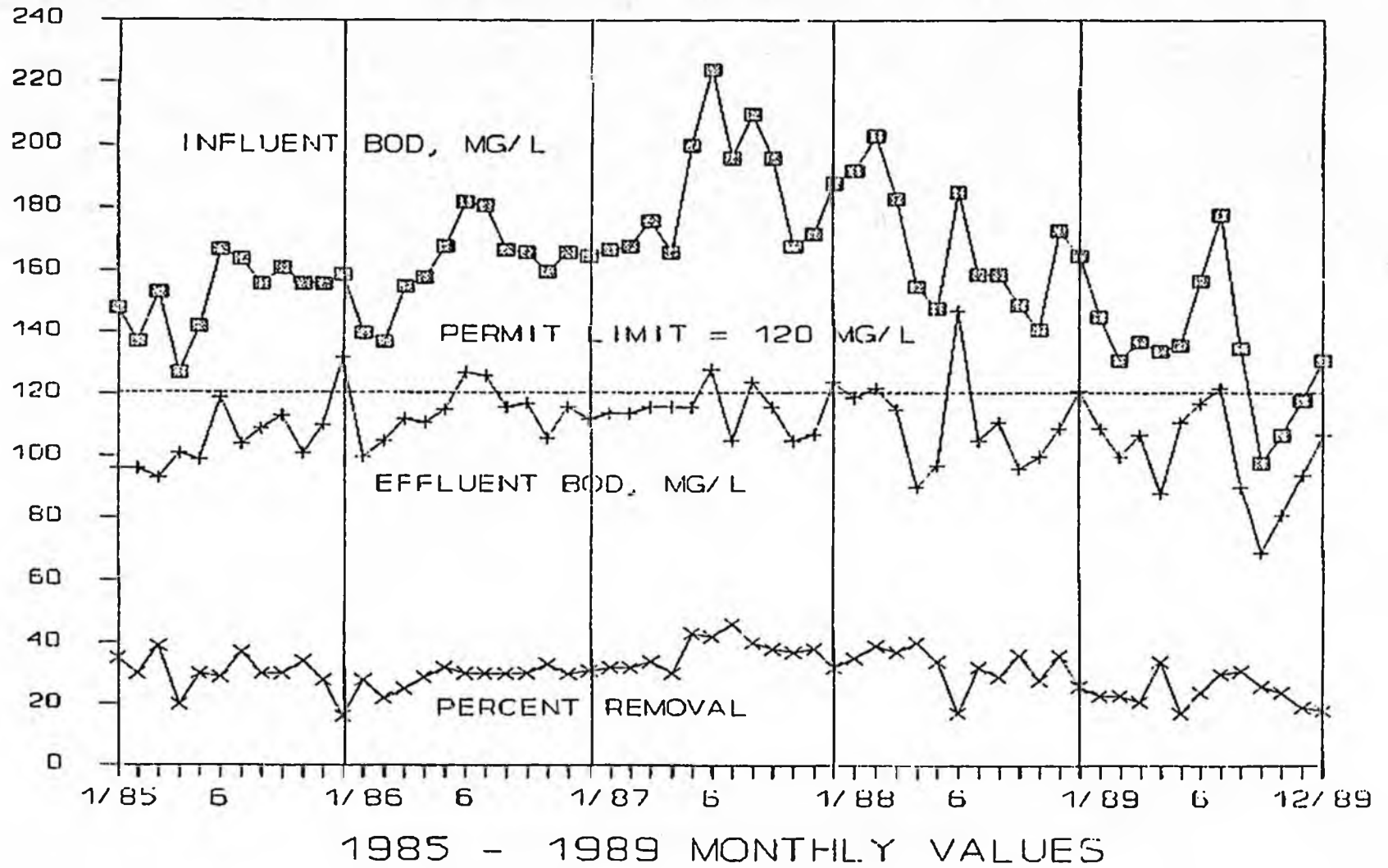
— RENEWAL OF THE NDPES PERMIT AND
301(h) VARIANCE FROM SECONDARY
TREATMENT BY CH2M HILL APRIL 1990 —

— submitted for the ANCHORAGE WATER
AND WASTEWATER UTILITY —

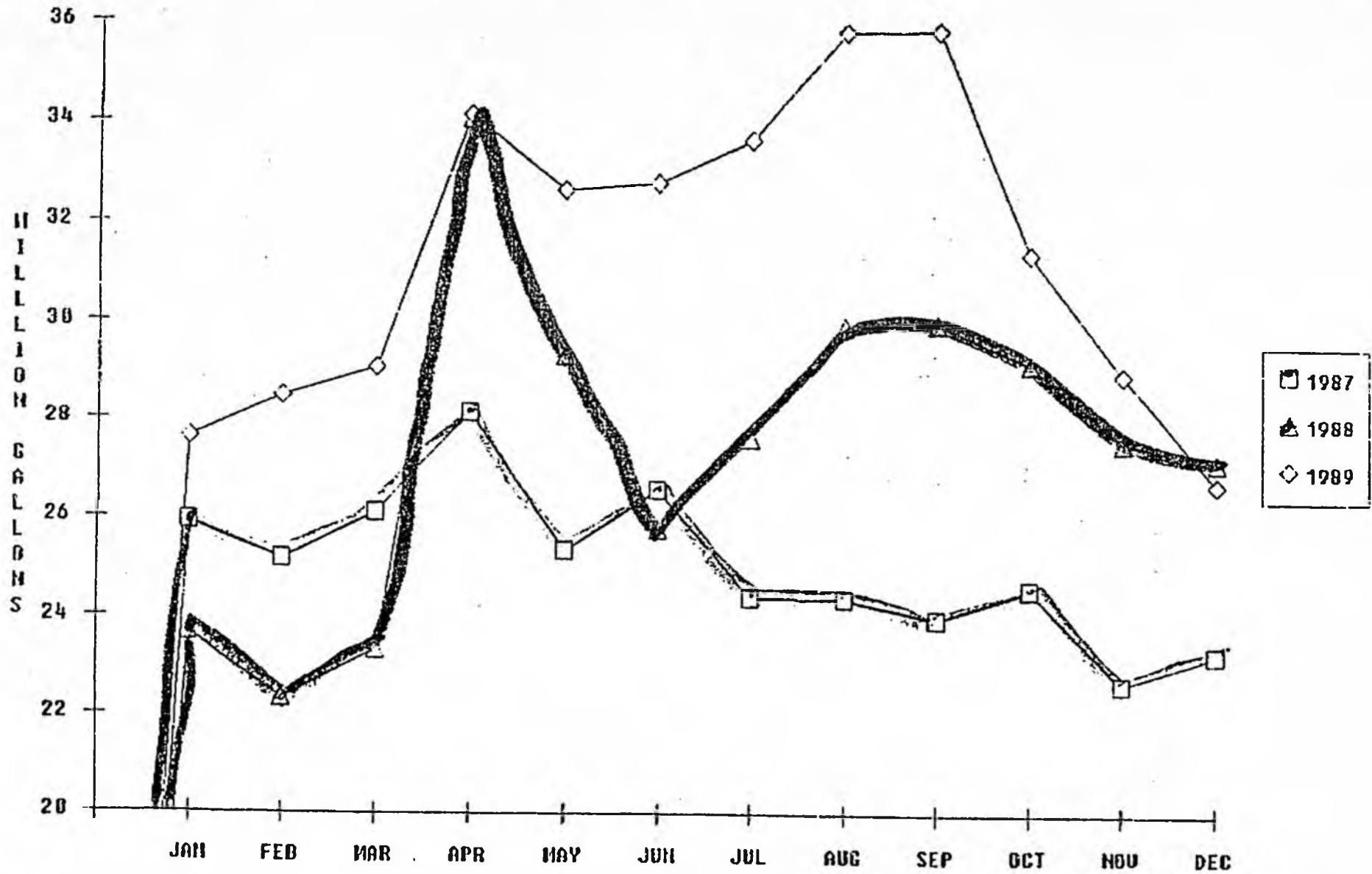
POINT WORONZOF WWTP MONTHLY SS DATA



POINT WORONZOF WWTP MONTHLY BOD DATA



AVERAGE DAILY EFFLUENT FLOW BY MONTH
 Pt Woronzof WWTF
 Annual Monitoring Report
 1989



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TABLE 1
FLOW, SUSPENDED SOLIDS, BOD

PT. WORONZOF WWTF MONITORING REPORT
1989

	FLOW MGD	Suspended Solids			BOD				
		I MG/L	FE MG/L	% REM	FE LOADING LB/DAY	I MG/L	FE MG/L	% REM	FE LOADING LB/DAY
JANUARY	27.637	121	77	36	17,970	145	109	23	25,344
FEBRUARY	28.408	108	86	17	20,326	131	100	23	23,312
MARCH	29.073	137	55	59	13,250	137	107	21	26,385
APRIL	34.151	144	43	70	12,300	134	88	34	25,670
MAY	32.655	138	49	64	13,437	136	111	17	30,472
JUNE	27.807	166	48	70	13,102	157	117	24	32,292
JULY	33.674	183	52	71	14,752	178	122	30	34,629
AUGUST	35.873	143	52	62	16,800	135	90	31	26,587
SEPTEMBER	35.910	147	56	62	17,029	98	69	26	20,671
OCTOBER	31.439	131	59	55	16,157	107	81	24	21,367
NOVEMBER	28.987	119	54	53	12,773	118	94	19	22,366
DECEMBER	26.746	136	57	58	12,820	131	107	18	24,186
MINIMUM	26.746	108	43	17	12,300	98	69	17	20,671
MAXIMUM	35.910	183	86	71	20,326	178	122	34	34,629
AVERAGE	31.453	139	57	59	15,060	134	100	25	26,107

[Sec. 301(h)(3) amended by PL 100-4]

[Section 303(b)(2) of PL 100-4 states the amendment to 301(h)(3). "shall only apply to modifications and renewals of modifications which are tentatively or finally approved after the date of the enactment of this Act."]

(4) such modified requirements will not result in any additional requirements on any other point or nonpoint source;

(5) all applicable pretreatment requirements for sources introducing waste into such treatment works will be enforced;

(6) in the case of any treatment works serving a population of 50,000 or more, with respect to any toxic pollutant introduced into such works by an industrial discharger for which pollutant there is no applicable pretreatment requirement in effect, sources introducing waste into such works are in compliance with all applicable pretreatment requirements, the applicant will enforce such requirements, and the applicant has in effect a pretreatment program which, in combination with the treatment of discharges from such works, removes the same amount of such pollutant as would be removed if such works were to apply secondary treatment to discharges and if such works had no pretreatment program with respect to such pollutant;

[New Sec. 301(h)(6) added by PL 100-4]

(7) to the extent practicable, the applicant has established a schedule of activities designed to eliminate the entrance of toxic pollutants from nonindustrial sources into such treatment works;

[Former Sec. 301(h)(8) deleted by PL 97-117; former (6) and (7) redesignated as (7) and (8) by PL 100-4]

(8) there will be no new or substantially increased discharges from the point source of the pollutant to which the modification applies above that volume of discharge specified in the permit;

(9) the applicant at the time such modification becomes effective will be discharging effluent which has received at least primary or equivalent treatment and which meets the criteria established under section 304(a)(1) of this Act after initial mixing in the waters surrounding or adjacent to the point at which such effluent is discharged.

[Sec. 301(h)(9) added by PL 100-4]

For the purposes of this subsection the phrase "the discharge of any pollutant into marine waters" refers to a discharge into deep waters of the territorial sea or the waters of the contiguous zone, or into saline estuarine waters where there is strong tidal movement and other hydrological and geological characteristics which the Administrator determines necessary to allow compliance with paragraph (2) of this subsection, and section 101(a)(2) of this Act. For the purposes of paragraph

X

(9). "primary or equivalent treatment" means treatment by screening, sedimentation, and skimming adequate to remove at least 30 percent of the biological oxygen demanding material and of the suspended solids in the treatment works influent, and disinfection, where appropriate. A municipality which applies secondary treatment shall be eligible to receive a permit pursuant to this subsection which modifies the requirements of subsection (b)(1)(B) of this section with respect to the discharge of any pollutant from any treatment works owned by such municipality into marine waters. No permit issued under this subsection shall authorize the discharge of sewage sludge into marine waters. In order for a permit to be issued under this subsection for the discharge of a pollutant into marine waters, such marine waters must exhibit characteristics assuring that water providing dilution does not contain significant amounts of previously discharged effluent from such treatment works. ~~No permit issued under this subsection shall authorize the discharge of any pollutant into saline estuarine waters which at the time of application do not support a balanced indigenous population of shellfish, fish and wildlife, or allow recreation in and on the waters or which exhibit ambient water quality below applicable water quality standards adopted for the protection of public water supplies, shellfish, fish, and wildlife or recreational activities, or such other standards necessary to assure support and protection of such uses. The prohibition contained in the preceding sentence shall apply without regard to the presence or absence of a causal relationship between such characteristics and the applicant's current or proposed discharge. Notwithstanding any other provisions of this subsection, no permit may be issued under this subsection for discharge of a pollutant into the New York Bight Apex consisting of the ocean waters of the Atlantic Ocean westward of 73 degrees 30 minutes west longitude and northward of 40 degrees 10 minutes north latitude.~~

[Sec. 301(h) amended by PL 97-117; PL 100-4]

[Section 303(g) of PL 100-4 states the amendments to 301(h) and (h)(2), as well as the provisions of (h)(6) and (h)(9), "shall not apply to an application for a permit under section 301(h) of the Federal Water Pollution Control Act which has been tentatively or finally approved by the Administrator before the date of the enactment of this Act; except that such amendments shall apply to renewals of such permits after such date of enactment."]

(1) (1) Where construction is required in order for a planned or existing publicly owned treatment works to achieve limitations under subsection (b)(1)(B) or (b)(1)(C) of this section, but (A) construction cannot be completed within the time required in such subsection, or (B) the United States has failed to make financial assistance under this Act available in time to achieve such limitations by the time specified in such subsection, the owner or operator of such treatment works may request the Administrator (or if appropriate the State) to issue a permit pursuant to section 402 of this Act or to modify a permit issued pursuant to that section to extend such time for compliance. Any such request shall be filed with the Administrator (or if

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this Act

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HCR

46

HOUSE COMMITTEE REPORT File

(11)

Date Referred: February 28, 1990

FURTHER REFERRALS:

Date of Committee Action: 4/28/90

The FINANCE Committee considered:

HCR 46

HOUSE CONC. RES. NO. 46 INTERAGENCY COORDINATING COMM. ON SCHOOLS

Relating to a special interagency coordinating committee on schools.

RECOMMENDATIONS:

- [] be replaced with _____ [] the same title
- [] have attached amendment(s) [] a new title
- [] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS: (Date/Dept)

- [] fiscal impact _____
- [] zero fiscal note _____
- [] zero with analysis _____

- [] fiscal note(s) DOE 2/28/90
- [] zero fiscal note(s) _____
- [] zero fn/analysis _____

SIGNING DO PASS:

SIGNING:
(Check approp. column)

[Signature] Koponen

	Do Not Pass	No Rec	Amend
<u><i>[Signature]</i></u> Wallis	<input checked="" type="checkbox"/>		
<u><i>[Signature]</i></u> Larson	<input checked="" type="checkbox"/>		
<u><i>[Signature]</i></u> Brown	<input checked="" type="checkbox"/>		
<u><i>[Signature]</i></u> Phillips	<input checked="" type="checkbox"/>		
<u><i>[Signature]</i></u> Rieger	<input checked="" type="checkbox"/>		
<u><i>[Signature]</i></u> Barnes	<input checked="" type="checkbox"/>		
<u><i>[Signature]</i></u> Shultz	<input checked="" type="checkbox"/>		
<u><i>[Signature]</i></u>	<input checked="" type="checkbox"/>		

[Signature] Hoffman
 Co Chairman's Signature
[Signature] Larson

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Education
 Title: Special Interagency BRU: Executive Administration
Coordinating committee in schools
 Sponsor: Joint Committee on School Performance Components: Executive Administration
 Requestor: House HESS

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Mary Hakala Phone: 465-2800
 Division: Commissioner's Office Date: 2/26/90
 Approved by Commissioner: William G. Demmert Date: 2/26/90
 Agency: Education

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

BY THE JOINT COMMITTEE ON SCHOOL PERFORMANCE

1 IN THE HOUSE

2 HOUSE CONCURRENT RESOLUTION NO. 46

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 Relating to a special interagency coor-
6 dinating committee on schools.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS there are no root causes of inadequate school performance
9 greater than environmental and social handicaps, especially those that are
10 the result of chronic poverty; and

11 WHEREAS environmental and social handicaps include chronic poverty,
12 households where parents are unable to provide parental guidance, substance
13 abuse, especially abuse of alcohol and illegal drugs, unplanned or unwanted
14 teen pregnancy, and trauma from exposure to violent behavior, especially
15 child abuse; and

16 WHEREAS a high incidence of school problems associated with these
17 handicaps have been clearly identified; and

18 WHEREAS without a coordinated, unified, long-term, and sustained
19 effort on the part of the various people and agencies charged with the
20 responsibility to provide health, social, legal, educational, and voca-
21 tional services, there is little likelihood that these school problems will
22 be overcome; and

23 WHEREAS the knowledge to address these problems is available; and

24 WHEREAS no single governmental agency possesses all the resources and
25 all the professional knowledge to address these problems, especially; when
26 considering the many regions and multicultural populations in the state;
27 and

28 WHEREAS early intervention among children with environmental and
29 social handicaps makes a difference when intervention is developed and

1 carried out as a cooperative effort among the various people, agencies, and
2 disciplines concerned with child care and schooling; and

3 WHEREAS a positive correlation has been found between success in
4 schools and the extent to which local populations and school personnel are
5 involved in the planning and executing of school programs;

6 BE IT RESOLVED by the Alaska State Legislature that the Governor is
7 respectfully requested to establish a special interagency coordinating
8 committee consisting of the commissioners from the Departments of Educa-
9 tion, Health and Social Services, Community and Regional Affairs, and
10 Labor; and a dean from the University of Alaska who is responsible for
11 teacher training, selected by the governor; and be it

12 FURTHER RESOLVED that the special interagency coordinating committee
13 is requested to identify the most critical social and health barriers to
14 learning, to establish plans to overcome them, to be responsible for imple-
15 mentation of the plans, and to issue an annual report; and be it

16 FURTHER RESOLVED that the special interagency coordinating committee
17 is requested to issue its first annual report by the 15th day of the First
18 Session of the Seventeenth Alaska State Legislature.

JOINT COMMITTEE ON SCHOOL PERFORMANCE

LEGISLATIVE PACKAGE:

HB 469, HB 470, and HCR 46

Last year, the legislature established the Joint Committee on School Performance on the grounds that there is widespread public concern for the condition of school performance in Alaska.

As one means to fulfill its responsibility to maintain a system of public schools, the legislature instructed the joint committee to identify those subjects for priority legislative attention that would improve school performance.

The committee identified five major subjects calling for immediate legislative action. They include:

1. Having mandated state goals of education;
2. Establishing mandated measures of achievement;
3. Providing incentives for the improvement of school performance;
4. Coordinating health and family service programs related to school performance; and,
5. Addressing long term and immediate needs for coordinated early childhood and parenting education.

To implement these five recommendations, the joint committee introduced HB 469, HB 470, and HCR 46.

HCR 46

HCR 46 addresses the joint committee's fourth recommendation by creating a special interagency coordinating committee that:

- would identify the most critical social and health barriers to learning;
- would establish plans to overcome those barriers; and,
- would take responsibility for implementing those plans.

* * * * *

Increasingly, Alaskans are becoming aware that there are unacceptable levels of educational achievement among a significant portion of Alaska youth. Not only are individual youth at risk, so too is society as a whole. Left uncorrected, the cost to the state will be immeasurable in unfulfilled human potential and millions of dollars spent on remedial programs that will never restore what has been lost.

Corrected now, the costs still will be high. Ignored, it will be many times costlier.

HB 469, HB 470, and HCR 46 represent three approaches the bipartisan Joint Committee on School Performance believes will improve the condition of school performance in Alaska.

HICR

52

HOUSE COMMITTEE REPORT

File

(11)

Date Referred: February 28, 1990

FURTHER REFERRALS:

Date of Committee Action: 3/20/90

The FINANCE Committee considered:

HCR 52

HOUSE CONC. RES., NO. 52 STATE LEASING OF SPACE

Relating to the leasing of space by the state.

RECOMMENDATIONS:

- [] be replaced with CS HCR 52 (FIN) [] the same title
- [] have attached amendment(s) [] a new title
- [] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Date/Dept)

- [] fiscal impact Leg. Affairs Agency [] fiscal note(s) _____
- [] zero fiscal note _____ [] zero fiscal note(s) _____
- [] zero with analysis _____ [] zero fn/analysis _____

SIGNING DO PASS:

SIGNING: (Check approp. column)

Do Not Pass No Rec Amend

SIGNING DO PASS	SIGNING	Do Not Pass	No Rec	Amend
<u>Ronald J. Larson</u> LARSON	<u>Dirk Schultz</u> Shultz		<input checked="" type="checkbox"/>	
<u>Larry Brown</u> BROWN	<u>Alvin Rieger</u> RIEGER		<input checked="" type="checkbox"/>	
<u>Harjoon Koponen</u> KOPONEN	<u>James Hoffman</u> HOFFMAN		<input checked="" type="checkbox"/>	
<u>Walter Ulmer</u> Ulmer				
<u>Samuel Barnes</u> BARNES				
<u>Roll E. Phillips</u> PHILLIPS				
<u>Wallis</u> WALLIS				
<u>Swackhamer</u> SWACKHAMER				

James Hoffman Hoffman
 Chairman's Signature
Ronald J. Larson LARSON

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Relating to the leasing of space ...
and establishing the State Lease Task Force.
Sponsor: Representative Ulmer
Requestor: House Finance

Affected Agency: Legislative Affairs Agency
BRU: Legislative Operating Budget
Components: Legislative Operating Budget

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY91	FY92	FY93	FY94	FY95	FY96
Personal Services	0	0	0	0	0	0
Travel	6.6	0	0	0	0	0
Contractual	0	0	0	0	0	0
Supplies	0	0	0	0	0	0
Equipment	0	0	0	0	0	0
Land & Structures	0	0	0	0	0	0
Grants, Claims	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
TOTAL OPERATING	6.6	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	6.6	0	0	0	0	0
Federal Fund	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	6.6	0	0	0	0	0

POSITIONS:

Full-Time	0	0	0	0	0	0
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

CSHCR 52 (Finance) establishes the State Lease Task Force comprised of 13 members. Administrative and legal services of the Legislative Affairs Agency shall be made available to the Task Force. The following is requested to adequately support the Task Force:

Prepared By: Pamela Stoops, Director
Division: Administrative Services

Pamela Stoops

Phone: 465-3850
Date: 3/19/90

Approved By: Warren Endicott, Executive Director
Agency: Legislative Affairs Agency

Warren Endicott

Date: 3/19/90

DISTRIBUTION (BY PREPARER)
LEGISLATIVE FINANCE
LEGISLATIVE SPONSOR

REQUESTOR
OFFICE OF MANAGEMENT & BUDGET
AGENCY (IES)

CONTINUATION OF FISCAL NOTE: CSHCR 52

Travel:

It is anticipated there will be 2 meetings of the Task Force. It is assumed that travel expenses of the 4 Legislators will be absorbed within the existing Legislative Budget and the 2 Representatives from the Executive Branch and 1 Representative from the University will be absorbed within their respective budgets.

2 meetings x 6 public members at 2 days each

airfare - 2 meetings x 6 members = 12 airfares

12 airfares x \$390 = \$4,680

per diem - 2 meetings x 6 members = 12

12 x 2 days per diem = 24

24 x \$80 =

\$1,920

\$6,600

Advertising of public notices, printing of the report, supplies, equipment, etc. will be absorbed within the existing Legislative Operating Budget.

Original sponsor(s): REP. ULMER

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 52 (Finance)

3 - IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 Relating to the leasing of space by the
6 state and establishing the State Lease
7 Task Force.

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

9 WHEREAS the state leases office space in over 60 communities through-
10 out the state, and the purpose of these offices is to provide services to
11 the public; and

12 WHEREAS the state's presence in these offices affects the business
13 environment in the communities, and the design of these offices affects
14 employee efficiency and morale as well as the cost of the leases; and

15 WHEREAS the state should be a responsible citizen in the communities
16 and not cause the construction of buildings that are below the prevailing
17 standard for commercial structures in the communities; and

18 WHEREAS the competitive sealed proposal process makes it possible to
19 consider several appropriate attributes in addition to the cost of a lease,
20 including the total life-cycle costs for maintenance and operations,
21 functionality, public convenience, design, appearance, and location of the
22 leased building; and

23 WHEREAS a comprehensive review is needed of the issues raised in this
24 resolution relating to the leasing of space by the state in order to deter-
25 mine how the state may achieve the goals proposed by resolves one through
26 four of this resolution;

27 BE IT RESOLVED that the Alaska State Legislature respectfully requests
28 the governor to direct the Department of Administration to seek lease space
29 that not only accommodates the state's mission but is also compatible with

1 representative from the Department of Transportation and Public Facilities,
2 one representative from the Department of Administration, and one represen-
3 tative from the University of Alaska; and be it

4 FURTHER RESOLVED that the terms of the task force members shall begin
5 July 1, 1990, and that the task force shall terminate January 22, 1991; and
6 be it

7 FURTHER RESOLVED that the task force shall submit a report of its
8 findings and recommendations to the governor and the legislature by
9 January 21, 1991; and be it

10 FURTHER RESOLVED that the administrative and legal services of the
11 Legislative Affairs Agency shall be made available to the task force.

12 COPIES of this resolution shall be sent to the Honorable Frank Baxter,
13 commissioner of administration; the Honorable Mark S. Hickey, commissioner
14 of transportation and public facilities; to the Honorable Donald O'Dowd,
15 President of the University of Alaska; and to Ray Price, Executive Director
16 of the Alaska State Housing Authority.

1 the communities' concerns, including planning, zoning, and design regula-
2 tions where they exist; and be it

3 FURTHER RESOLVED that the Alaska State Legislature encourages state
4 agencies to avoid leasing practices that would cause the construction of
5 substandard commercial structures or structures that will be substandard in
6 appearance and features when compared to prevailing building practices and
7 design, but nothing in this resolution shall be construed as encouraging
8 new construction or favoring new construction over the leasing of existing
9 space; and be it

10 FURTHER RESOLVED that the Alaska State Legislature encourages state
11 agencies to utilize the competitive sealed proposal process for the acqui-
12 sition of leased space when the lease exceeds 10,000 square feet or a term
13 of five years; and be it

14 FURTHER RESOLVED that the competitive sealed proposal process used to
15 lease office space for the state should consider the total life-cycle cost
16 to the state of the building to be leased as calculated over the term of
17 the lease using a discounted present value analysis, and including mainte-
18 nance and operations, functionality, public convenience, design, and ap-
19 pearance; and be it

20 FURTHER RESOLVED that a State Lease Task Force is established to study
21 the issues raised by the goals set out in the previous resolves in order to
22 determine the best methods for achieving these goals; and be it

23 FURTHER RESOLVED that the task force shall consist of nine persons
24 appointed by the governor, two representatives appointed by the speaker of
25 the state house of representatives, and two senators appointed by the
26 president of the state senate; and be it

27 FURTHER RESOLVED that the members of the task force appointed by the
28 governor shall include two engineers licensed under AS 08.48, two archi-
29 tects licensed under AS 08.48, two representatives of local government, one

~~ADPT-UC~~

AMENDMENT # 2

3/20/90

By Rieger

To CSHCR 52 (F.m)

Page 2, Lines 4 and 5

delete "that will not compete well for private sector
tenants when the state lease ends, or structures
that would be substandard" inserted

Page 2, Line 14, after "leased"

add ^{or} "when calculated over the term of the lease using
a discounted present value analysis, and"

Page 2, Line 13, after "cost"

insert: "to the state"

NOTE: Pen comments indicate technical
changes made by legal drafter

adopt. U.C.
3/20/90

AMENDMENT # 3

CSHCR 52 (Fin)

By Rieyer

Page 2, line ~~8~~⁷, after "design;"

insert " ^{but} however, nothing in this resolution shall be construed as encouraging new construction or favoring new construction over ^{the} lease of existing space;"

NOTE: PEN NOTES indicate technical changes made ~~to~~ by legal drafter

App
Adopted U.C.
3/20/90

Amendment #4

by Phillip

To: CSHCR #52 (Finance)

Page 1, Line 13

Delete "host community"; Add "communities".

Page 1, Line 15

Delete "host community"; Add "communities".

Page 1, Line 17,

Delete "host community"; Add "communities"

Page 2, Line 1,

Delete "host community"; Add "communities"

~~Page 2, Line 1,~~

~~After "regulations", Add "where they exist,"~~



Department of Transportation and Public Facilities

POSITION PAPER

Bill No: HCR 52

Approved: Mark S. Hickey *M&H*
Commissioner

Title: Relating to the leasing of space by the state.

Date: February 27, 1990

The department is supportive of House Concurrent Resolution No 52. We believe it will assist in providing office space for state functions which are efficient and compatible with the fabric of the surrounding community. It should also result in leases that are more reflective of local communities desires.

While the responsibility for leasing space is held by the Department of Administration, our department is willing to offer professional architectural and engineering guidance concerning design criteria that would assist in the bidding for lease space.

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF ADMINISTRATION

P.O. BOX C
JUNEAU, ALASKA 99811

DIVISION OF GENERAL SERVICES AND SUPPLY

March 9, 1990

The Honorable Ramona Barnes
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Barnes:

Deputy Commissioner Amy Kyle of the Department of Environmental Conservation passed on your question regarding the lease of office space for their headquarters in Juneau.

An Invitation to Bid was issued, opened and awarded. The low bidder is now pursuing a financial approach which would involve the City of Kasaan issuing some sort of debt to finance the cost of construction. Apparently, Kasaan would eventually become the owner of the building. This financing structure would allow the use of tax exempt financing and hence provide a lower construction cost and a lower cost to the State. Since we are not accustomed to this form of financing, and since it would require the State's approval of the process, we are reviewing it.

We would be happy to address any further questions on this subject.

Sincerely,



Robert J. Link
Director

RJL/tlc

cc: Frank S. Baxter
Commissioner
Department of Administration

Amy D. Kyle
Deputy Commissioner
Department of Environmental Conservation

Alaska State Legislature

HOUSE OF REPRESENTATIVES



REPRESENTATIVE FRAN ULMER

MEMORANDUM

TO: Rep. Hoffman and Rep. Larson, Co-chairs
Members
House Finance Committee

FROM: Rep. Fran Ulmer

DATE: March 20, 1990

RE: HCR 52 relating to state leases

State agencies and municipalities have recently turned to the capital lease process as a means of acquiring badly needed new facilities. One reason for this is the unwillingness of the legislature to appropriate funds for the state office buildings in the capital budget. These facilities are designed, constructed, financed and often operated by the successful bidder. The building is essentially purchased by the state on the "installment plan" utilizing funds from the agency's operating budget. At the conclusion of the term of the lease, which may be 20 years or more, ownership of the facility usually reverts to the state, often after payment of a final lump sum.

A major problem with this process is that it lacks virtually all of the controls normally placed on development of new public facilities. The bids are usually awarded only on the basis of lowest rental cost and do not necessarily take into consideration building standards of the host community, the long term maintenance and operations costs or the functional needs of the agency.

HCR 52 requests that when the state enters into capital lease contracts, it consider a variety of factors in addition to price,

House Finance Committee
March 20, 1990
Page 2

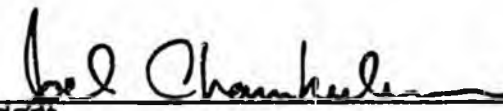
including functionality, public convenience, design and appearance be taken into consideration.

A Finance CS has been prepared which would create a State Lease Task Force comprised of architects, engineers, representatives of local government and state agencies who have leasing responsibilities, as well as two representatives of the House and two from the Senate. Formation of the Task Force was requested by members of the Alaska Professional Design Council, to work on solutions to the problems created by current state leasing policies. The Task Force members will report to the legislature on their findings and recommendations by January 21, 1991.

**RESOLUTION
STATE BUILDING LEASE PROCEDURES**

- Whereas, the Alaska Chapter of the American Institute of Architects promotes quality design and construction practices throughout the State, and
- Whereas, the Department of Administration, other State agencies and other political subdivisions for the State of Alaska have been procuring new building space through a process which solicits bids for lease space normally resulting in new construction, and
- Whereas, the contractor with the lowest lease price and cheapest cost will be the successful bidder for such State space, and
- Whereas, this process is not required to consider the quality of building design, site design, regional planning, construction quality, or operation and maintenance costs, and
- Whereas, such omission harms the long term interest of the State and the affected communities because of the low quality design, planning and construction which inevitably occurs,
- Therefore, be it resolved that the Alaska Chapter of the American Institute of Architects, strongly urges that the Governor's Office and Department of Administration revise this bid process to include qualitative criteria for design, site planning, interior amenity, and maintenance and operation costs so that the State agencies and communities affected receive building projects with acceptable design and construction quality.

Unanimously adopted this date, November 10, 1989.



President



Secretary



Alaska Designs

Volume 12, No. 11, December 1989

The Official Newsletter of the Alaska Professional Design Council

Acquisition of State Facilities Via Capital Lease

by Jack Wolever, AIA

Given current political and economic environments, most state agencies find it almost impossible to obtain funding for needed facilities through capital appropriations. The conventional process of constructing new state buildings -- an appropriation from the legislature, selection of architects and engineers, programming and design, competitive bids, and construction -- is simply no longer accessible to most state agencies because of economic or political constraints.

Several state agencies have turned to the capital lease process as a means of acquiring new facilities. These facilities are designed, constructed, financed, and often operated and maintained by the successful bidder. The building is essentially purchased by the agency on the "installment plan" utilizing funds from the agency operating budget. At the conclusion of the term of the lease, the facility ownership usually reverts to the state, often after payment of a final lump sum amount to the bidder. The capital lease process is made possible because many agencies have accommodated space needs over the years through rental of increasing amounts of office space which is frequently scattered throughout a community. Consolidation of rental space and agency functions increase the buying power and the efficiency of the agency -- powerful arguments for capital lease facility acquisition.

It is critical, however, that those individuals responsible for facility acquisition and management ensure that buildings acquired via capital lease are good investments for the state. Buildings which are functionally unreliable or unsuccessful are frustrating to the personnel who utilize them. Buildings which are poorly designed and constructed are expensive to operate and maintain and can have such a short useful life span that they are of little value at the conclusion of the term of lease when ownership is transferred to the state. It is the responsibility of an agency's facilities management group to ensure that such problems do not compromise the acquisition of a new building.

A publication entitled Design/Build/Bid Considerations for Participants was prepared in 1986 by an ad-hoc committee of Alaskan architects, engineers, contractors, and facility planning experts to inform public sector building owners about the process of acquiring facilities through design/build/bid. The process described differs from the capital lease process currently utilized by the state in several very important areas.

Critical to the success of a design/build/bid project is preparation of a detailed facility program describing the functional needs of the agency, and performance specifications describing a minimum level of quality for building components and systems. Equally important is preparation of a format for evaluating bidder's proposals in order to obtain from each bidder a design for the best possible building that can be provided within the limits defined by the performance specifications and the project budget.

Having participated in numerous design/build/bid public works projects in Alaska and California, it has been my experience that a consultant with experience in preparing D/B/B RFPs is needed to prepare the program, performance specifications, and evaluation format. With regard to evaluation of proposals, this typically involves both objective judgements, such as awarding points for exceeding minimum energy performance standards, and subjective judgements, such as awarding points for quality of architectural design and site planning functionality. Project cost can be dealt with by either establishing a price to be paid and allowing the bidders to provide the best facility achievable within that constraint, or by allowing the cost to be another variable in the evaluation format.

State agencies that are normally in the business of leasing facilities lack the professional expertise required to prepare a D/B/B RFP, and lack that same expertise required to evaluate a D/B/B proposal with regard to both technical criteria and design criteria. The State Department of Administration is the entity that has been responsible for capital lease building acquisitions for other state agencies. The DOA track record has been dismal, producing buildings which are largely unsuccessful because of failings in the RFP utilized by DOA. The community of Juneau has seen protests sent directly from the planning commission to the Governor about conspicuous failures of capital lease building projects initiated by the DOA's Division of General Services and Supplies which is unable to differentiate between a D/B/B project and an ordinary lease for office space. Therefore, it is necessary for the Alaskan consulting community to acquire the expertise to provide state agencies with the services needed to organize and execute a successful D/B/B project.

In summary, the capital lease process is currently the only practical means available to most state agencies for obtaining new facilities. In order to ensure that agency funds are invested in a responsible manner, it is imperative that state agencies utilize a process structured to produce buildings that are functionally responsive to the needs of the occupants, are economical to operate and maintain, and are humane and productive environments for the individuals who work there. In

addition, those building projects must complement and enhance the community in which they are placed -- the buildings must be good neighbors rather than centers of controversy over planning and design issues. It is incumbent on the Alaskan design community to recognize the need for D/B/B services and to be able to provide those services to state agencies. It is incumbent on the state to recognize the failings of its' process and its' products, and to obtain the necessary expertise required to develop successful capital lease building projects.

HICR

52

SENATE FINANCE COMMITTEE REPORT

DATE: 4/6/90

FURTHER:

DATE TURNED INTO OFFICE: 4/19/90

The Finance Committee considered

CSHCR 52 (Finance) am

Relating to the leasing of space by the state and establishing the State Lease Task Force.

and recommended:

replace with _____ CS
 or adopt _____ CS

CS HCR 52 (SR)

same title
 new title
 technical title change (HB only)

attached amendment(s)

_____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

fiscal note(s) _____ Dept/Date: _____

zero fiscal note(s) _____

appropriation-no fiscal note

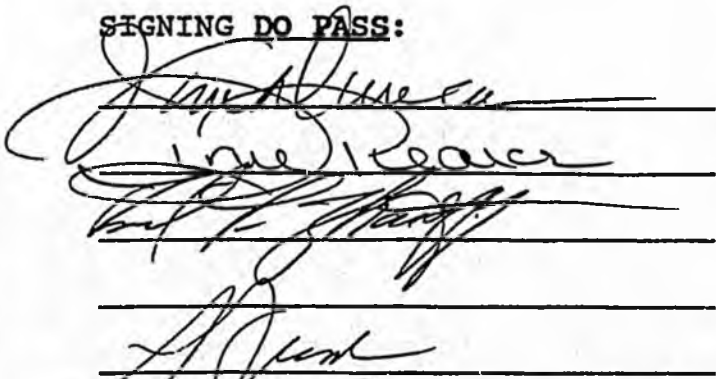
APPROVES PREVIOUS:

fiscal note(s) LAA 6.6 Dept/Date: _____

zero fiscal note(s) _____

SIGNING DO PASS:

OTHER RECOMMENDATIONS:



1. John B. ... DO PASS

2. Mike Kelly (DO PASS)

Co-Chairs: Signatures and Recommendations

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Relating to the leasing of space ...
and establishing the State Lease Task Force.
Sponsor: Representative Ulmer
Requestor: House Finance

Affected Agency: Legislative Affairs Agency
BRU: Legislative Operating Budget
Components Legislative Operating Budget

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TOTAL OPERATING	6.6	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	6.6	0	0	0	0	0
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TOTAL	6.6	0	0	0	0	0

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ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

- CSHCR 52 (Finance) establishes the State Lease Task Force comprised of 13 members. Administrative and legal services of the Legislative Affairs Agency shall be made available to the Task Force. The following is requested to adequately support the Task Force:

Prepared By: Pamela Stoops, Director
Division: Administrative Services

Pamela Stoops

Phone: 465-3850
Date: 3/19/90

Approved By: Warren Endicott, Executive Director
Agency: Legislative Affairs Agency

Warren Endicott

Date: 3/19/90

DISTRIBUTION (B
LEGISLATIVE FIN
LEGISLATIVE SPC

Changes in SCS CSHCR 52 (SA) have no fiscal impact. This fiscal note is appropriate. Projections of no fiscal impact would continue through 1996.

REQUESTOR
OFFICE OF MANAGEMENT & BUDGET
AGENCY (IES)

CONTINUATION OF FISCAL NOTE: CSHCR 52

Travel:

It is anticipated there will be 2 meetings of the Task Force. It is assumed that travel expenses of the 4 Legislators will be absorbed within the existing Legislative Budget and the 2 Representatives from the Executive Branch and 1 Representative from the University will be absorbed within their respective budgets.

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\$6,600

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Original sponsor(s): REP. ULMER, Koponen

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 SENATE CS FOR CS FOR HOUSE CONCURRENT RESOLUTION NO. 52 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION

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14 employee efficiency and morale as well as the cost of the leases; and

15 WHEREAS the state should be a responsible citizen in the communities
16 and not cause the construction of buildings that are below the prevailing
17 standard for commercial structures in the communities; and

18 WHEREAS the competitive sealed proposal process makes it possible to
19 consider several appropriate attributes in addition to the cost of a lease,
20 including the total life-cycle costs for maintenance and operations, func-
21 tionality, indoor air quality, public convenience, design, appearance, and
22 location of the leased building; and

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24 resolution relating to the leasing of space by the state in order to deter-
25 mine how the state may achieve the goals proposed by resolves one through
26 four of this resolution;

27 BE IT RESOLVED that the Alaska State Legislature respectfully requests
28 the governor to direct the Department of Administration to seek lease space
29 that not only accommodates the state's mission but is also compatible with

1 the communities' concerns, including planning, zoning, and design regula-
2 tions where they exist; and be it

3 FURTHER RESOLVED that the Alaska State Legislature encourages state
4 agencies to avoid leasing practices that would cause the construction of
5 substandard commercial structures, but nothing in this resolution shall be
6 construed as encouraging new construction or favoring new construction over
7 the leasing of existing space; and be it

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10 sition of leased space when the lease exceeds 10,000 square feet or a term
11 of five years; and be it

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13 lease office space for the state should consider the total life-cycle cost
14 to the state of the building to be leased as calculated over the term of
15 the lease using a discounted present value analysis, and including mainte-
16 nance and operations, functionality, indoor air quality, public conve-
17 nience, design, and appearance; and be it

18 FURTHER RESOLVED that a State Lease Task Force is established to study
19 the issues raised by the goals set out in the previous resolves in order to
20 determine the best methods for achieving these goals; and be it

21 FURTHER RESOLVED that the task force shall consist of nine persons
22 appointed by the governor, two representatives appointed by the speaker of
23 the state house of representatives, and two senators appointed by the
24 president of the state senate; and be it

25 FURTHER RESOLVED that the members of the task force appointed by the
26 governor shall include two engineers licensed under AS 08.48, two archi-
27 tects licensed under AS 08.48, two representatives of local government, one
28 representative from the Department of Transportation and Public Facilities,
29 one representative from the Department of Administration, and one

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2 FURTHER RESOLVED that the terms of the task force members shall begin
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13 President of the University of Alaska; and to Ray Price, Executive Director
14 of the Alaska State Housing Authority.

Alaska State Legislature

HOUSE OF REPRESENTATIVES



REPRESENTATIVE FRAN ULMER

MEMORANDUM

TO: Rep. Rick Uehling and Rep. John Binkley, Co-chairs
Senate Finance Committee

FROM: Rep. Fran Ulmer

DATE: April 5, 1990

RE: CSHCR 52 (Fin) relating to state leases

I would appreciate your scheduling of CSHCR 52 (Fin) which relates to state leasing and creation of a State Lease Task Force.

Many state agencies have turned to the capital lease process as a means of acquiring badly needed new facilities because of the lack of state funds needed to finance construction of office buildings. These facilities are designed, constructed, financed and often operated by the successful bidder. A major problem with this process is that it lacks virtually all of the controls normally placed on development of new public facilities. The bids are usually awarded only on the basis of lowest rental cost.

CSHCR 52 (Fin) requests the state to consider a variety of factors in addition to price, including functionality, public convenience, design and appearance, when it enters into a capital lease. It also creates a State Lease Task Force to work on solutions to the problems created by current state leasing policies.

Thank you for your consideration of my request to schedule this legislation in the Senate Finance Committee in the near future. Please contact me if you need more information or if you would like to meet to discuss this resolution.

District 4B — Juneau

P.O. Box V • Juneau, Alaska 99811-3100 • (907) 465-4947

Alaska State Legislature

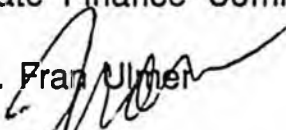
HOUSE OF REPRESENTATIVES



REPRESENTATIVE FRAN ULMER

MEMORANDUM

TO: Senator Uehling and Senator Binkley, Co-chairs
Senate Finance Committee

FROM: Rep. Fran Ulmer 

DATE: April 19, 1990

RE: CSHCR 52 (Fin) relating to state leases

CSHCR 52 (Fin) creates a State Lease Task Force, which was requested by representatives of local governments and members of the Alaska Professional Design Council, to work on solutions to the problems created by current state leasing policies. The Task Force members will report to the legislature on their findings and recommendations by January 21, 1991.

CS HCR 52 (Fin) also requests the state to consider a variety of factors in addition to price including functionality, public convenience, design and appearance when it enters into a capital lease.

When state agencies and municipalities use the capital lease process as a means of acquiring needed facilities, they do not always consider the long-term cost and benefits. One reason for this is the unwillingness of the legislature to appropriate funds for the state office buildings in the capital budget. These facilities are designed, constructed, financed and often operated by the successful bidder. The building is essentially purchased by the state on the "installment plan" utilizing funds from the agency's operating budget. At the conclusion of the term of the lease, which may be 20 years or more, ownership of the facility usually reverts to the state, often after payment of a final lump sum.

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Senate Finance
April 19, 1990
Page 2

A major problem with this process is that it lacks virtually all of the controls normally placed on development of new public facilities. The bids are usually awarded only on the basis of lowest rental cost and do not necessarily take into consideration building standards of the host community, the long term maintenance and operations costs or the functional needs of the agency.

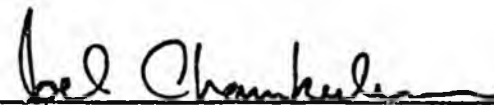
This resolution focuses attention on this problem, encourages the administration to consider these factors when entering into leases, and creates the task force to review the problems of state leasing policies to suggest solutions.

CSHCR 52 (Fin) is supported by the Alaska Professional Design Council and the Alaska Chapter of the American Institute of Architects.

**RESOLUTION
STATE BUILDING LEASE PROCEDURES**

- Whereas, the Alaska Chapter of the American Institute of Architects promotes quality design and construction practices throughout the State, and
- Whereas, the Department of Administration, other State agencies and other political subdivisions for the State of Alaska have been procuring new building space through a process which solicits bids for lease space normally resulting in new construction, and
- Whereas, the contractor with the lowest lease price and cheapest cost will be the successful bidder for such State space, and
- Whereas, this process is not required to consider the quality of building design, site design, regional planning, construction quality, or operation and maintenance costs, and
- Whereas, such omission harms the long term interest of the State and the affected communities because of the low quality design, planning and construction which inevitably occurs,
- Therefore, be it resolved that the Alaska Chapter of the American Institute of Architects, strongly urges that the Governor's Office and Department of Administration revise this bid process to include qualitative criteria for design, site planning, interior amenity, and maintenance and operation costs so that the State agencies and communities affected receive building projects with acceptable design and construction quality.

Unanimously adopted this date, November 10, 1989.



President



Secretary

A SOMEWHAT BRIEFER VERSION OF THE FOLLOWING ARTICLE WAS RECENTLY PUBLISHED IN THE DECEMBER ISSUE OF THE ALASKA PROFESSIONAL DESIGN COUNCIL NEWSLETTER.



Alaska Designs

Volume 12, No. 11, December 1989

The Official Newsletter of the Alaska Professional Design Council

Acquisition of State Facilities Via Capital Lease

by Jack Wolever, AIA

Given current political and economic environments, most state agencies find it almost impossible to obtain funding for needed facilities through capital appropriations. The conventional process of constructing new state buildings - an appropriation from the legislature, selection of architects and engineers, programming and design, competitive bids, and construction -- is simply no longer accessible to most state agencies because of economic or political constraints.

Several state agencies have turned to the capital lease process as a means of acquiring new facilities. These facilities are designed, constructed, financed, and often operated and maintained by the successful bidder. The building is essentially purchased by the agency on the "installment plan" utilizing funds from the agency operating budget. At the conclusion of the term of the lease, the facility ownership usually reverts to the state, often after payment of a final lump sum amount to the bidder. The capital lease process is made possible because many agencies have accommodated space needs over the years through rental of increasing amounts of office space which is frequently scattered throughout a community. Consolidation of rental space and agency functions increase the buying power and the efficiency of the agency -- powerful arguments for capital lease facility acquisition.

It is critical, however, that those individuals responsible for facility acquisition and management ensure that buildings acquired via capital lease are good investments for the state. Buildings which are functionally unreliable or unsuccessful are frustrating to the personnel who utilize them. Buildings which are poorly designed and constructed are expensive to operate and maintain and can have such a short useful life span that they are of little value at the conclusion of the term of lease when ownership is transferred to the state. It is the responsibility of an agency's facilities management group to ensure that such problems do not compromise the acquisition of a new building.

A publication entitled Design/Build/Bid Considerations for Participants was prepared in 1986 by an ad-hoc committee of Alaskan architects, engineers, contractors, and facility planning experts to inform public sector building owners about the process of acquiring facilities through design/build/bid. The process described differs from the capital lease process currently utilized by the state in several very important areas.

Critical to the success of a design/build/bid project is preparation of a detailed facility program describing the functional needs of the agency, and performance specifications describing a minimum level of quality for building components and systems. Equally important is preparation of a format for evaluating bidder's proposals in order to obtain from each bidder a design for the best possible building that can be provided within the limits defined by the performance specifications and the project budget.

Having participated in numerous design/build/bid public works projects in Alaska and California, it has been my experience that a consultant with experience in preparing D/B/B RFPs is needed to prepare the program, performance specifications, and evaluation format. With regard to evaluation of proposals, this typically involves both objective judgements, such as awarding points for exceeding minimum energy performance standards, and subjective judgements, such as awarding points for quality of architectural design and site planning functionality. Project cost can be dealt with by either establishing a price to be paid and allowing the bidders to provide the best facility achievable within that constraint, or by allowing the cost to be another variable in the evaluation format.

State agencies that are normally in the business of leasing facilities lack the professional expertise required to prepare a D/B/B RFP, and lack that same expertise required to evaluate a D/B/B proposal with regard to both technical criteria and design criteria. The State Department of Administration is the entity that has been responsible for capital lease building acquisitions for other state agencies. The DOA track record has been dismal, producing buildings which are largely unsuccessful because of failings in the RFP utilized by DOA. The community of Juneau has seen protests sent directly from the planning commission to the Governor about conspicuous failures of capital lease building projects initiated by the DOA's Division of General Services and Supplies which is unable to differentiate between a D/B/B project and an ordinary lease for office space. Therefore, it is necessary for the Alaskan consulting community to acquire the expertise to provide state agencies with the services needed to organize and execute a successful D/B/B project.

In summary, the capital lease process is currently the only practical means available to most state agencies for obtaining new facilities. In order to ensure that agency funds are invested in a responsible manner, it is imperative that state agencies utilize a process structured to produce buildings that are functionally responsive to the needs of the occupants, are economical to operate and maintain, and are humane and productive environments for the individuals who work there. In

addition, those building projects must complement and enhance the community in which they are placed -- the buildings must be good neighbors rather than centers of controversy over planning and design issues. It is incumbent on the Alaskan design community to recognize the need for D/B/B services and to be able to provide those services to state agencies. It is incumbent on the state to recognize the failings of its' process and its' products, and to obtain the necessary expertise required to develop successful capital lease building projects.

ALASKA PROFESSIONAL DESIGN COUNCIL
P.O. Box 10-3115
Anchorage, Alaska 99510-3115

26 February 1990

Representative Fran Ulmer
Alaska Legislature
P.O. Box V
Juneau, Alaska 99811

Re: SUPPORT FOR HOUSE CONCURRENT RESOLUTION
RELATING TO THE LEASING OF SPACE BY THE STATE.

Rep. Ulmer,

Thank you for meeting with us in Juneau during our annual legislative affairs day in February. At that time we discussed with you the Capital Lease Procurement policy. We have reviewed the draft materials you gave us at that time and are in support of the House Concurrent Resolution and the portion of the bill dealing with "the procurement of capital leases under AS 36.30.080(d)". Please contact me in Juneau at 586-1371 should you have any questions or if there is anything else we can do.

Alaska Chapter of the American Institute of Architects,
member Alaska Professional Design Council



Richard Ritter AIA
Legislative Liaison

cc: Paul Voelckers AIA
President



Department of Transportation and Public Facilities

POSITION PAPER

Bill No: HCR 52

Approved: Mark S. Hickey *MSH*
Commissioner

Title: Relating to the leasing of space by the state. Date: February 27, 1990

The department is supportive of House Concurrent Resolution No 52. We believe it will assist in providing office space for state functions which are efficient and compatible with the fabric of the surrounding community. It should also result in leases that are more reflective of local communities desires.

While the responsibility for leasing space is held by the Department of Administration, our department is willing to offer professional architectural and engineering guidance concerning design criteria that would assist in the bidding for lease space.