

**ALASKA LEGISLATURE**

**2159**

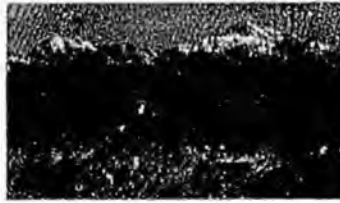
**HOUSE and SENATE FINANCE COMMITTEE FILES,**

**2001 - 2002**

"Simply put... everyone should be able to get access at a reasonable cost. Without this principle, new technology could create another class of "haves and have-nots" in our state, instead of fulfilling the promise of erasing distance and equalizing opportunity."

Lieutenant Governor Fran Ulmer  
State of Alaska





## TELECOMMUNICATIONS

Alaska has made rapid advances in telecommunications, particularly with the recent completion of large-scale fiber optic projects. But not all things are equal in the world of Alaskan telecommunications. Urban Alaskan residents now have access to the latest in cable television, high-speed modems and competition between internet service providers and local and long-distance telephone services. Unfortunately, the telecommunications and internet technologies that are revolutionizing daily life in the United States are not reaching rural Alaskan communities.

The remoteness, harsh climate, rough topography and sparse populations that so uniquely define rural Alaska make the provision of affordable high quality telecommunications service difficult. Private telecommunications industries find it difficult to justify establishing services in remote communities given the expense involved in reaching each small community. Typically, rural residents have access to the internet only through local public schools or libraries which receive federally subsidized services that private users are prohibited from accessing for commerce.

For villages settled amid vast expanses of uninhabited wilderness these services are essential to basic healthcare, education, training and economic well being. In rural Alaska, telecommunications must

perform many more functions than they do elsewhere in the United States. Telecommunications are often the only method for delivering life saving health care and public safety information and are critical to the schools and lifelong learning of rural children and adults. Telecommunications provide the vital link between rural businesses and the international global economy that allows commerce to expand and communities to thrive. Telecommunications contribute to the social and political integration of rural communities with the rest of the nation.

The Denali Commission believes it is vital to assess telecommunications services in Alaska as they relate to providing basic infrastructure, training and opportunities for economic development in rural communities. Advanced telecommunications will be instrumental in the Commission's efforts to meet the challenges that face rural Alaska. The Commission recognizes the catastrophic effects of leaving communities off-line in a telecommunications revolution and believes access is one of the best investments that can be made in the future of Alaska.

### Did you know...

- A private user in a Y-K Delta village using a 1-800 dial up access to America On-Line costs them between \$200-\$400 per month just to do e-mail and minimal web browsing.
- The monthly cost of a T-1 connection in Bethel is \$14,000, as compared to \$900 in Anchorage and only \$15 for a public school in California.
- A fax transmission from a rural community typically costs from \$0.50 to \$1.00 per page.

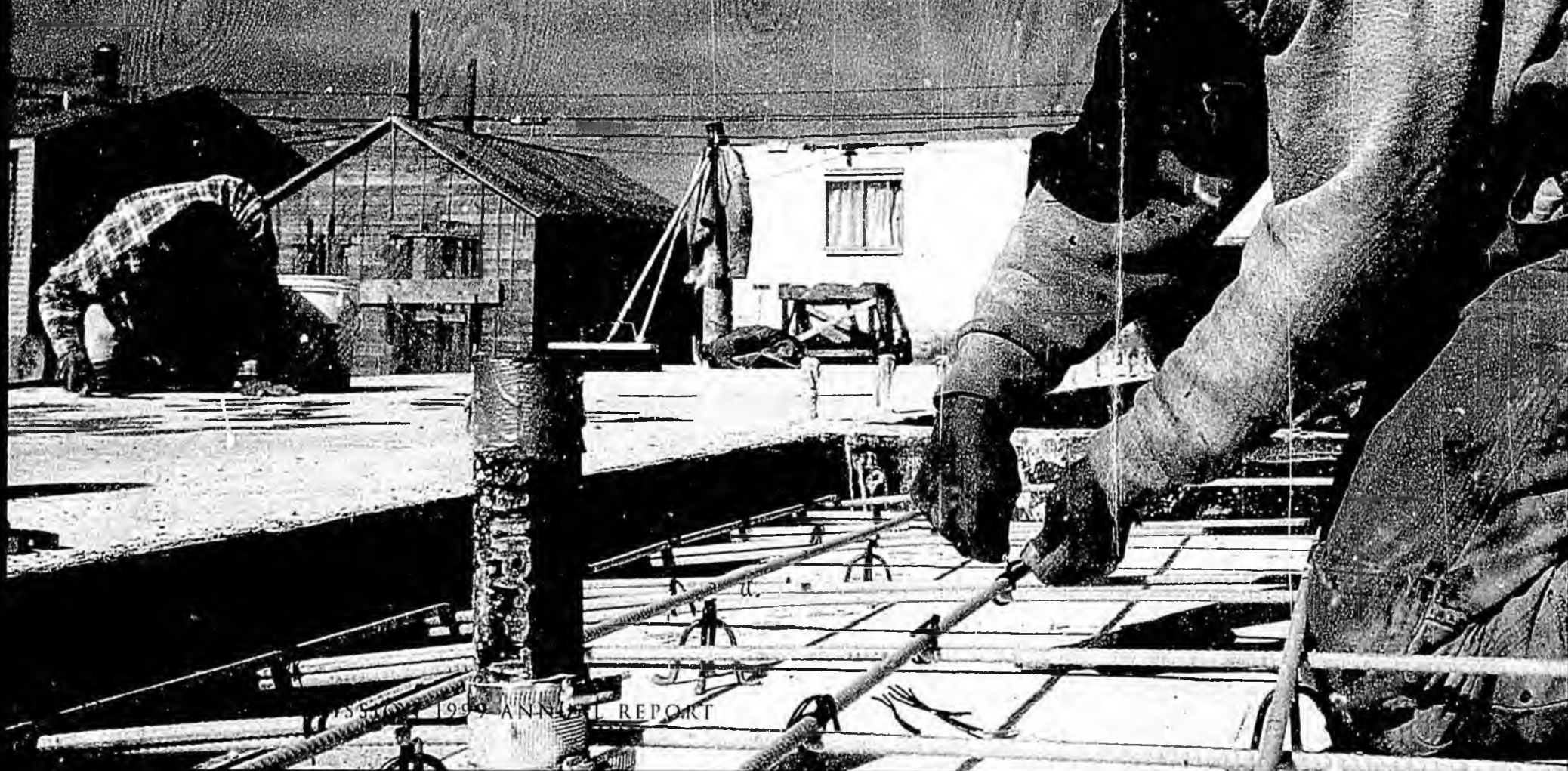
The Commission funded a Statewide Telecommunications Survey in FY99. The survey will provide the Commission and other state and federal policy makers accurate and recent information on the services that are available to each community in Alaska and the price residents pay for these services.

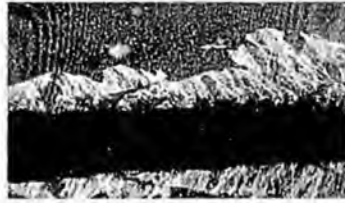
State, federal and private partners working together to improve telecommunications in Alaska:

- Department of Interior  
– ATTAP Program
- State of Alaska Job Corps  
(Rural Computer Centers)
- U.S. Department of Commerce  
– Community Technology Centers
- E-Rate program
- State of Alaska Department of  
Military & Veteran's Affairs
- U.S. Military

*"This Commission must ensure that every infrastructure project that is funded has corresponding training to protect the public's investment and provide jobs for rural residents."*

*Commissioner Mark Hamilton  
President, University of Alaska*





## JOB TRAINING IN ALASKA

1999 was a strong year for the Alaskan economy. Urban job markets were thriving, unemployment was at 6.4%, the lowest level in decades, and more people were hired and working than ever before. In comparison to the other forty-nine states however, where the national average for unemployment in 1999 was only 4.2%, Alaska was clearly experiencing a labor surplus.

A gap between the skills needed to meet the demands of the workplace and the skills Alaskans have to offer contributes largely to this surplus. Despite the availability of jobs, employers in Alaska frequently find they are unable to employ Alaskans with the training and educational background requisite for success on the job. Employers routinely import labor to fill both skilled and unskilled positions for which there are no qualified Alaskan applicants. In 1998, nearly 20% of the workers in Alaska were non-residents yet in 1999, the U.S. Department of Labor designated twenty-two of Alaska's twenty-six census regions as labor surplus areas.

Nowhere is the skills gap wider than in rural Alaska. Year-round employment opportunities are scarce and typically high skilled/high wage jobs are in public service or private industry. These jobs, such as teaching, engineering and nursing, often go to non-Alaskans,

leaving communities largely dependent upon part time work and seasonal industries such as fishing and tourism, and cyclical industries such as mining and logging. Alaska's unemployment rates reflect the seasonal nature of the state's economy. During summer months the unemployment rate dives to a low of 2.9%, and then soars to 21% in winter, one of the highest rates of unemployment in the nation.

With the limited number of jobs available in rural Alaska, the Denali Commission believes it is imperative to provide local residents with the training and education needed to be successful in the job market. In 1999, the Denali Commission developed partnerships with various state and federal organizations involved in training rural residents to operate and maintain public facilities. In future years, the Commission will promote training and invest in preparing local residents to assume the jobs created by the construction, operation and maintenance of Denali Commission funded public facilities.

The Commission believes that in order for construction and sustainability of public infrastructure in rural Alaska to be successful we must invest in training local residents.


During summer months in Alaska, the unemployment rate dives to a low of 2.9%, and then soars to 21% in winter, one of the highest rates of unemployment in the nation.

State, federal and private partners working together to improve job training in Alaska:

- State of Alaska Department of Labor
- Alaska Human Resource Investment Council
- Associated General Contractors
- Alaska Native Coalition on Employment and Training
- Alaska Native Tribal Health Consortium
- State of Alaska Department of Commerce & Economic Development
- Alaska Works Partnership
- U.S. Department of Commerce – Economic Development Administration
- U.S. Department of Agriculture – Rural Development

### Did you know...

- In one out of every eight villages, unemployment among Native men is in excess of 50%.
- In one-third of all Native villages, male unemployment is 32%, nearly quadruple the statewide average.
- In 1998, nearly 20% of the workers in Alaska were non-residents.



*"The Denali Commission has a unique opportunity to make a difference in the lives of Alaska Natives and all Alaskans. The challenge facing the Denali Commission is to empower people and invite them into the decision-making process and allow their goals and aspirations to become a reality."*

*Committee Member Kitka  
President, Alaska Federation of Natives*



## ECONOMIC DEVELOPMENT

Economic development in Alaska is a pioneering challenge. Sparse populations, the presence of both a subsistence and a market economy, limited opportunities to access the global market and communications and transportation infrastructure necessitate unique approaches to developing and sustaining markets.

The Commission is dedicated to discourse on development, entrepreneurial ventures, listening to communities, respecting local cultures and providing the support residents need to develop their own strategies to fill gaps and take full advantage of economic opportunities that may exist for them. The focus of the Commission effort is to assist communities in developing a successful market economy that can provide funds to support the subsistence lifestyle and to expand local job opportunities for communities where subsistence plays a decreasing role in meeting the basic needs of Alaskans.

In most rural communities, the opportunities for development of the market economy will be extremely limited. With this in mind, the Commission goal is not to make every community individually self-sufficient, but to assist communities in attaining their full potential, and through regional economies of scale, provide for sustainable markets.

The Commission believes that coordination and cooperation between communities, governments and businesses cannot be overemphasized. In the process of regional planning and development the Commission will encourage regional profit and non-profit corporations to work with local and regional governments to develop and implement local and regional economic development plans and strategies.

In 1999, the Denali Commission focused on identifying an effective approach to economic development in rural Alaska and a process for selecting projects. Access to capital, market identification and construction of infrastructure that will support economic activities are areas that need immediate attention. The Commission supported the "Community Toolbox" initiative through the U.S. Department of Agriculture-Rural Development to assemble the tools needed to create comprehensive local and regional economic development plans and strategies.

A partnership was forged with Alaska's Funding Forum, an organization of public and private funding sources created to review entrepreneurial concepts and help entrepreneurs get the support they need to ensure success. The Denali Commission also partnered with the U.S. Department of Agriculture to encourage Funding Summits. These Summits bring to the table both communities and regional groups seeking assistance and the federal and state agencies and organizations with financial resources to contribute.

The Denali Commission understands that a successful market economy includes:

- Commercial enterprise
- Natural or man-made resources
- Capital
- Markets
- Workforce
- Energy
- Transportation
- Communications
- Public Infrastructure

State, federal and private partners working together to improve economic development in Alaska:

- Alaska Regional Development Organizations
- State of Alaska Department of Community and Economic Development
- U.S. Department of Agriculture – Rural Development
- U.S. Department of Commerce – Economic Development Administration

Did you know...

- Alaska's economy is natural resource-based and depends primarily upon the following employment sectors: oil production, tourism, fishing, timber, mining and government.



THE DENALI COMMISSION STAFF - JUNE 2000

## THE DENALI COMMISSION STAFF

*In order from left to right, back to front.*

### **Ernest Brannon, Project Manager**

*Funding Agency: U.S. Department of Agriculture*

Ernest Brannon brings to the Denali Commission six years of experience as the State Director of Rural Development for the U.S. Department of Agriculture. Mr. Brannon has been devoted to guiding the Commission in establishing policies and strategies for economic development. He received his Bachelor of Arts in Education from Eastern Washington State University and has been a teacher, community development specialist, member of the armed services, Anchorage Assemblyman, Chairman of the Chugiak-Eagle River School Board, Mayor of the Matanuska-Susitna Borough and a small business owner.

### **Sam Kito, Project Manager**

*Funding Agency: Arctic Slope Consulting Group, Inc.*

Sam Kito is responsible for assessment of rural needs and development of policies in the areas of infrastructure and economic development. Mr. Kito holds a Bachelor of Science degree in Civil Engineering. Prior to joining the Commission, Mr. Kito worked with the Department of Transportation and the offices of Governor Tony Knowles.

### **Krag Johnsen, Alaska State Legislature's Representative**

*Funding Agency: Alaska State Legislature*

Krag Johnsen is the primary resource for training and telecommunications programs at the Denali Commission, and he is responsible for coordination of state, federal and Denali Commission funding with the State Legislature. Mr. Johnsen obtained his Bachelor of Arts in Political Science from the University of Alaska, Anchorage. Prior to joining the Commission he served on staff for the Alaska State Senate Finance Committee, State Senator Drue Pearce and United States Senator Ted Stevens.

### **Joel Neimeyer, Project Manager**

*Funding Agency: Alaska Native Tribal Health Consortium*

Joel Neimeyer is a commissioned officer with the U.S. Public Health Service on detail to the Alaska Native Tribal Health Consortium. Mr. Neimeyer directs assessments of rural needs and oversees infrastructure development programs sponsored by the Commission. He is a licensed professional engineer with experience in environmental engineering, sanitation and infrastructure. Joel obtained his Bachelor of Science degree in Civil Engineering from the University of Texas, Austin.

### **Kurt Eilo, Information Technology Manager**

*Funding Agency: U.S. Environmental Protection Agency*

Kurt Eilo brings to the Commission a decade of experience in computer engineering and fifteen years of experience in environmental programs. He holds a Bachelor of Science degree in Wildlife Management from the University of Maine. Mr. Eilo has been with the Environmental Protection Agency in New York and Alaska since 1988. He is the founder and Board President of the Alaska Forum on the Environment and Board President for the Joint Regional Environmental Training Center.

### **Corrine Eilo, Operations Director and Chief Financial Officer**

*Funding Agency: Denali Commission*

Corrine Eilo is responsible for meeting all administrative needs and financial reporting requirements for the Commission. Ms. Eilo received her Bachelor of Science in Business from Southern Oregon College and her Masters in Business Administration from the University of Alaska, Anchorage. Prior to joining the Commission, Ms. Eilo spent six years with the Environmental Protection Agency and three years as the Executive Director of Green Star, Inc.

### **Millie Taylor, Administrative Assistant**

*Funding Agency: Denali Commission*

Millie Taylor has managed the front office of the Denali Commission since its inception in June of 1999. She provides administrative support to project staff and handles scheduling and travel for all Commission staff. Prior to her work with the Commission, Ms. Taylor worked for the Environmental Protection Agency of Alaska.

### **Yvette Wilkins, Deputy Operations Director**

*Funding Agency: U.S. Air Force Civil Service, Elmendorf AFB*

As Deputy Operations Director, Yvette Wilkins manages financial reporting for the Commission and assists with both administrative and program level projects. Ms. Wilkins holds a Bachelor of Arts in Business Administration from Wayland University and brings to the Commission extensive experience in contracting, procurement and program management.

### **Al Ewing, Chief of Staff**

*Funding Agency: U.S. Environmental Protection Agency*

As Chief of Staff, Al Ewing directs all program related activities of the Denali Commission. Mr. Ewing received his Bachelor of Science degree in Forest Industry Management from the University of Oregon. Prior to joining the Commission, he served eleven years as Director of the U.S. Environmental Protection Agency in Alaska, and two years as Deputy Commissioner of the Department of Environmental Conservation in Juneau.

### **Michelle Anderson, Governor's Representative**

*Funding Agency: State of Alaska Governor's Office*

Michelle Anderson serves as liaison between the Denali Commission and state government in Alaska. Ms. Anderson holds a Bachelor of Arts degree in Political Science from the University of Alaska, Anchorage. Prior to joining the Commission, Ms. Anderson was Director of the Alaska State Community Service Commission. She is a representative of the Ahtna villages to the Alaska Federation of Natives and vice-chair on the Council of Advisors for the Alaska Native Studies program at the University of Alaska, Anchorage.

### **Jennifer Burgess, Intern Project Assistant**

Jennifer Burgess is a senior at Whitman College in Washington State pursuing a major in Politics. Ms. Burgess has worked with the Alaska Small Business Development Center, the Washington D.C. Office of Senator Ted Stevens, the Bureau of Justice Assistance and is a consultant with the National Youth Network and the National Crime Prevention Council.



*"The State of Alaska is committed to this partnership and we look forward to future progress as we continue to address the need for basic life-sustaining services in rural Alaska. I'm honored to be a part of the Commission and thank Senator Stevens for his vision in creating it."*

*Governor Tony Knowles  
State of Alaska*

## FINANCIAL STATEMENT

### REPORT OF CONDITION

Consolidated report of condition of the Denali Commission in the state of Alaska at the close of business at September 30, 1999.

#### Appropriations

Energy & Water Development Bill	\$20,000,000.00
Total Appropriations	\$20,000,000.00
Total Appropriations	\$20,000,000.00

#### Liabilities

##### Current Liabilities

##### Committed Liabilities

Program Funds 1,262,200.00	
Total Committed Liabilities	\$1,262,200.00

##### Obligated Liabilities

##### Program Obligated Liabilities

Alaska Energy Authority	\$15,449,000.00
Alaska Native Tribal Health Consortium & City of Klawock	\$242,000.00
Alaska Native Tribal Health Consortium with Tri-Party Agreement	\$275,000.00
Alaska Native Tribal Health Consortium with PS/MOA	\$200,000.00
Statewide Telecommunications Survey	\$50,000.00
Yukon Kuskokwim Health Clinic	\$250,000.00
North Slope Borough	\$122,000.00
Alaska Department Community & Economic Development	\$140,000.00
Alaska Department Community & Economic Development & Tanana Chiefs Conference	\$184,800.00
Total Program Obligated Liabilities	\$16,912,800.00

##### Administration Obligated Liabilities

Administration Undelivered Orders	\$699,584.56
Total Undelivered Orders	\$17,612,384.56

##### Expended

Program Expended	\$825,000.00
Administration Expended	\$300,415.44
Total Expended	\$1,125,415.44

Total Liabilities	\$20,000,000.00
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Total Liabilities and Appropriations	\$20,000,000.00
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## FY 99 FUNDED PROJECTS

During Fiscal Year 1999, the Commission focused on bulk fuel and energy utility projects as a "Rural Energy Theme." Rural communities of Alaska, much like the rest of the nation, are dependent on bulk fuel and electric power for basic life support. Unlike most other areas of the country, Alaska's rural communities are remote, subject to extreme weather conditions, and not connected on a power grid. When a system fails, there are no backups and the life and safety of people in the community are in jeopardy. The following table provides specific information on how the Commission allocated funding to support the upgrade and maintenance of the most critical needed systems in rural Alaska.

### FY 99 FUNDED ENERGY PROJECTS

Community Name	Project Type	Commission Funding	Total Project Funding
Aleknagik	Bulk Fuel Planning and Design	\$22,727.00	\$22,727.00
Arctic Village	Power Plant Upgrade	\$700,000.00	\$745,000.00
	Bulk Fuel Construction	\$600,000.00	\$825,000.00
Atka	Bulk Fuel Planning and Design	\$22,727.00	\$22,727.00
	Hydro-Electric Power	\$600,000.00	\$700,000.00
Birch Creek	Bulk Fuel Planning and Design	\$22,727.00	\$22,727.00
Buckland	Bulk Fuel Planning and Design	\$22,727.00	\$22,727.00
Chalkyitsik	Bulk Fuel Planning and Design	\$22,727.00	\$22,727.00
Chefornak	Bulk Fuel Construction	\$200,000.00	\$1,440,000.00
Chignik Lagoon	Bulk Fuel Planning and Design	\$22,727.00	\$22,727.00
Crooked Creek	Bulk Fuel Planning and Design	\$22,727.00	\$22,727.00
Deering	Power Plant Upgrade	\$400,000.00	\$758,000.00
Eagle	Bulk Fuel Construction	\$14,000.00	\$28,000.00
Emmonak	Bulk Fuel Construction	\$900,000.00	\$1,600,000.00
Golovin	Distribution System Upgrades	\$350,000.00	\$395,000.00
Hoonah	Bulk Fuel Planning and Design	\$22,727.00	\$22,727.00
Hughes	Power Plant and Distribution Upgrades	\$750,000.00	\$795,000.00
Kiana	Bulk Fuel Construction	\$1,500,000.00	\$2,000,000.00
Klawock	Water Source Planning	\$242,000.00	\$267,000.00
Kongiganak	Bulk Fuel Planning and Design	\$20,733.00	\$20,733.00
Kotlik	Bulk Fuel Planning and Design	\$22,727.00	\$22,727.00
	Power Plant Upgrade	\$700,000.00	\$850,000.00
Koyukuk	Power Plant and Distribution Upgrades	\$500,000.00	\$545,000.00
Larsen Bay	Bulk Fuel Planning and Design	\$22,727.00	\$22,727.00
Little Diomedea	Bulk Fuel Planning and Design	\$22,727.00	\$22,727.00
Lower Kalskag	Bulk Fuel Construction	\$1,100,000.00	\$1,265,000.00
Napaskiak	Bulk Fuel Construction	\$200,000.00	\$975,000.00

FY 99 FUNDED ENERGY PROJECTS *(continued)*

Community Name	Project Type	Commission Funding	Total Project Funding
Nikolai	Bulk Fuel Planning and Design	\$22,727.00	\$22,727.00
Nikolski	Bulk Fuel Construction	\$700,000.00	\$800,000.00
Nome	Power Line Extension	\$750,000.00	\$795,000.00
Noorvik	Bulk Fuel Construction	\$300,000.00	\$3,050,000.00
Old Harbor	Hydro-Electric Power	\$1,000,000.00	\$1,945,000.00
	Bulk Fuel Planning and Design	\$22,727.00	\$22,727.00
	Bulk Fuel Construction	\$12,000.00	\$24,000.00
Point Hope	In-House Plumbing	\$122,000.00	\$2,285,701.00
Port Graham	Bulk Fuel Construction	\$600,000.00	\$765,000.00
Port Protection	Bulk Fuel Planning and Design	\$22,727.00	\$22,727.00
Pt. Baker	Bulk Fuel Planning and Design	\$22,727.00	\$22,727.00
Rampart	Bulk Fuel Planning and Design	\$22,727.00	\$22,727.00
Red Devil	Bulk Fuel Planning and Design	\$22,727.00	\$22,727.00
St. Mary's	Sub-Regional Clinic Utility Upgrade	\$250,000.00	\$3,900,000.00
Takotna	Bulk Fuel Planning and Design	\$22,727.00	\$22,727.00
Tanana	Bulk Fuel Construction	\$900,000.00	\$1,393,000.00
Togiak	Bulk Fuel Planning and Design	\$22,727.00	\$22,727.00
Toksook Bay	Bulk Fuel Construction	\$1,700,000.00	\$1,865,000.00
Tuntutuliak (1)	Bulk Fuel Construction	\$400,000.00	\$1,304,000.00
Tuntutuliak (2)	Bulk Fuel Construction	\$200,000.00	\$500,000.00
Tununak	Bulk Fuel Planning and Design	\$22,727.00	\$22,727.00
Upper Kalskag	Bulk Fuel Construction	\$700,000.00	\$895,000.00
Veneric	Bulk Fuel Planning and Design	\$22,727.00	\$22,727.00

Total FY99  
Denali Commission  
Project Funding:  
\$19,000,000

Total FY99  
Partner Funding:  
\$16,112,875

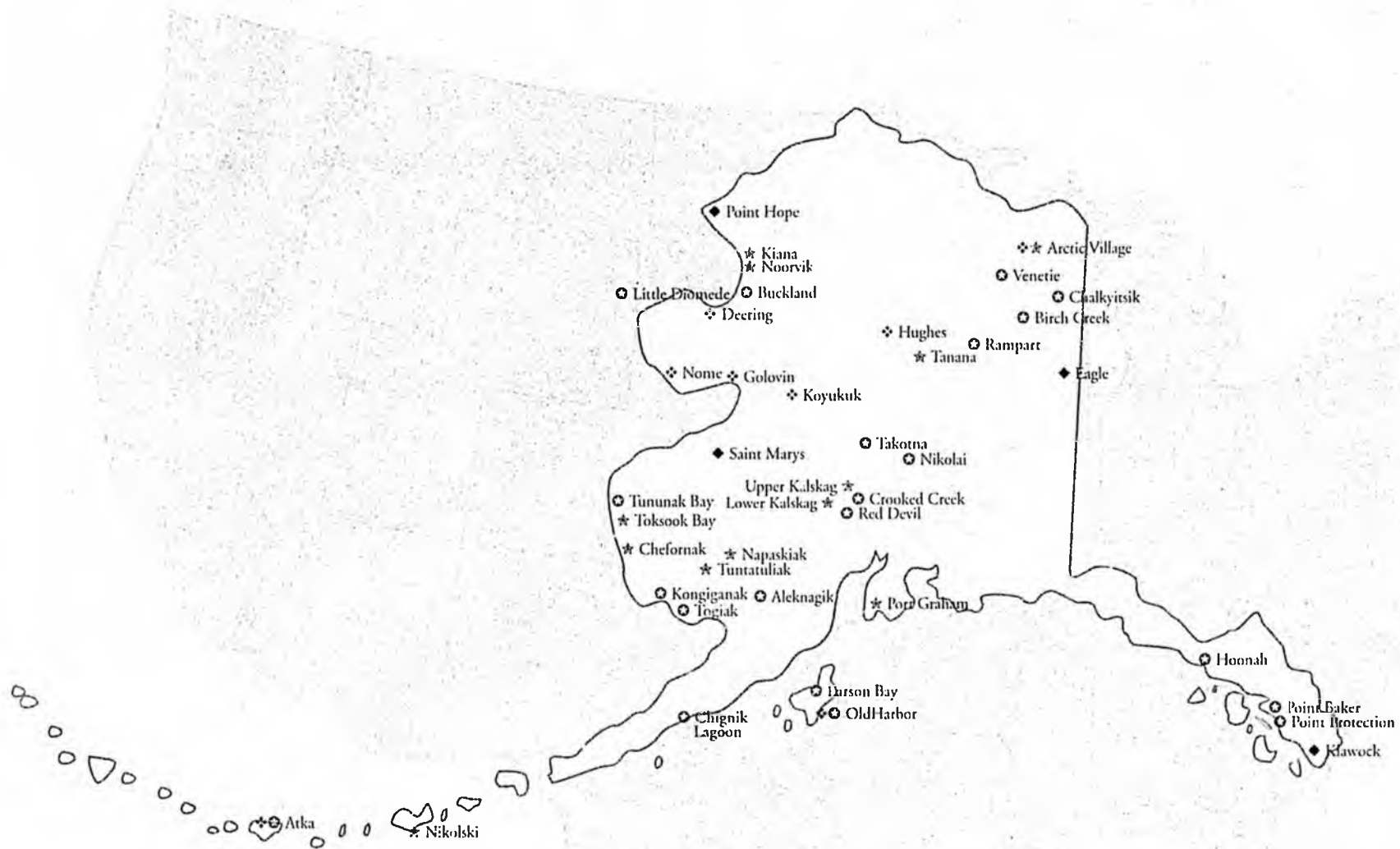
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Total FY99  
Combined Funding:  
\$35,112,875

FY 99 FUNDED REGIONAL/STATEWIDE PROJECTS

Project Name	Commission Funding	Total Project Funding
Statewide Telecommunications Survey	\$50,000.00	\$50,000.00
Rural Health Clinic Study	\$275,000.00	\$300,000.00
Utility O&M Training	\$200,000.00	\$515,000.00
Reserved for First Alaskans Foundation	\$1,262,200.00	\$1,262,200.00
Community Planning Tools	\$100,000.00	\$110,000.00
Statewide Community Directory	\$40,000.00	\$49,000.00
RUBA Services Regional Pilot Project	\$184,800.00	\$224,800.00

# FISCAL YEAR 1999 DENALI COMMISSION FUNDED PROJECTS



## FISCAL YEAR 1999 DENALI COMMISSION FUNDED PROJECTS

All Commission funded projects in FY99 were cost-shared by state and local partners, and were required to be self-sustainable for the foreseeable future and consistent with local values.

*"The Denali Commission concept is about effective and efficient teamwork, with key decision making starting at the community level."*

*Commissioner Jeff Staser  
Federal Co-Chair, Denali Commission*

In fiscal year 1999 the Commission focused on rural energy projects across the state. The Denali Commission invested in:

- bulk fuel construction in sixteen communities,
- electrical upgrades in six communities,
- a hydroelectric project in one community
- water and sewer improvements in two communities, and
- bulk fuel planning and design in sixteen communities.

This map shows the communities with Denali Commission funded projects, while highlighting the enormous distance that Denali Commission projects encompass in comparison to the contiguous 48 states.

### Map Legend

- ⊛ Bulk Fuel Planning
- ☆ Bulk Fuel Construction
- ❖ Electrical Utility Upgrades
- ◆ Other Infrastructure Projects

The state of Alaska:

- Contains 586,412 square miles
- Is 488 times larger than Rhode Island
- Is two and a half times larger than Texas
- Is larger than the next three largest states in the United States combined

## PHOTO CAPTIONS AND CREDITS

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Page 9	Community of Ninilchik	© Ernst Schneider, Alaska Division of Tourism
Page 11	Bulk fuel storage facility in Akiak	© Alaska Energy Authority
Page 13	School children in Buckland	© Chris Arend Photography, courtesy of NANA Regional Corporation, Inc.
Page 15	Construction in Deering	© Chris Arend Photography, courtesy of NANA Regional Corporation, Inc.
Page 17	Construction in rural Alaska	© Chris Arend Photography, courtesy of NANA Regional Corporation, Inc.
Page 23	Eskimo women of Barrow	© Kristen Kimmerling, Alaska Tourism Marketing Council

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This publication was written, produced and printed completely in Alaska.

**2/09/01**

**CARA  
FUNDING**

**HFIN**

**FILE**

LAW OFFICES

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**Memorandum**

**TO:** Ted Popely  
Ron Somerville  
**FROM:** Bill Horn *BH*  
**DATE:** October 3, 2000  
**RE:** Land Legacy Program and CARA

**VIA TELEFAX**

The Interior and Related Agencies Appropriations Conference Report (H.R. 4578) is being voted on today in the House. The bill includes Title VIII addressing "Land Conservation, Preservation and Infrastructure Improvement" which is the substitute for CARA and reflects in large measure the elements of the Clinton Administration's Land Legacy program.

Title VIII outlines a six-year program providing \$1.6 billion in year one (FY 2001) increasing to \$2.4 billion in year six (FY 2006). Most of the first year funding (\$1.2 billion) is directed to Interior agencies and the Forest Service. The remaining \$400 million goes to the Commerce Department (i.e., NOAA and NMFS). We do not have details on the Commerce money and do not know how much, if any, will be provided to coastal states.

The following chart indicates the programs and amounts covered by this Title:

(Millions of Dollars)

LWCF (Land Acquisition)

Interior	\$294
Forest Service	156
Stateside	<u>90</u>

**SUBTOTAL** \$540

2/9/01

**BIRCH, HORTON, BITTNER AND CHEROT**  
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Ted Popely, Ron Somerville  
October 3, 2000  
Page 2

(Millions of Dollars)

**Conservation Programs**

ESA Grants	\$105
Non-Game	50
NAWCA	40
USGS (Biological Surveys)	25
Forest Legacy	60
Forest Planing/Inventory	<u>20</u>

**SUBTOTAL** \$300

**Urban/Historic Programs**

UPAR	\$30
Historic Preservation	88
Urban Forestry	36
YCC	<u>6</u>

**SUBTOTAL** \$160

**Enhanced Maintenance** \$150

**Enhanced PILT** \$50

**TOTAL** \$1,200

The land acquisition program comes with no particular sideboards, limitations, or private property protections. It is just straight out funding for federal and state agencies to buy land.

The Non-Game funding is the vestige of Title III of CARA. The CARA version would have funneled \$300 million through a new Pittman-Robertson account to State fish and wildlife agencies for general wildlife conservation. In contrast, this program is a \$50 million federal grant program in which the states must come to FWS for funds on a project-by-project basis. According to the conference report the funds must go to programs that "provide for the conservation of the State's full array of wildlife and their habitats, with emphasis placed on those species conservation efforts that are most underfunded and have the greatest conservation need." H. Rept. 106-914, Sept. 29, 2000, p. 202.

As soon as details are available on distribution of the Commerce \$400 million we will provide it to you right away.

## LAW OFFICES

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**MEMORANDUM**

**TO:** Ted Popely  
 Ron Somerville

**FROM:** Bill Horn *BH*  
 Tom Albert

**DATE:** December 22, 2000

**RE:** Final "CARA Lite" Legislation

**VIA TELEFAX**

The recent FY 01 Consolidated Appropriations Act (H.R. 4577, H. Rept. 106-1033), among other things, provided for the amendment and final enactment of the previously-passed conference report on the FY 01 Commerce, Justice, State appropriations bill (H.R. 4292, H. Rept. 106-1005) ("CJS bill"). Title IX of the CJS bill (Wildlife, Ocean and Coastal Conservation) essentially represents the second phase of the "CARA-Lite" legislation begun in the FY 01 Interior Appropriations Act. Specifically, Title IX authorizes and appropriates a total of \$200 million in FY 01 funding for Wildlife Conservation and Coastal Impact Assistance that is largely consistent with the purposes of the original CARA legislation, although on a smaller scale.

**Wildlife Conservation**

Section 901 of the CJS bill appropriates \$50 million in FY 01 funding for States and localities for wildlife conservation and restoration activities. These funds are to supplement, but not replace, existing funds available to States from the sport fish and wildlife restoration accounts. The \$50 million is to be apportioned among the States on the basis of land area (1/3) and on the basis of population (2/3), subject to a one percent minimum and a five percent maximum. In addition, up to 2.5 percent will be available for certain U.S. territories and possessions. As a condition for receiving a grant, each State must adopt wildlife conservation strategy and plan.

Section 902 authorizes and establishes the Wildlife Conservation and Restoration Account as a subaccount to the Pittman-Robertson fund, albeit for one year

**BIRCH, HORTON, BITTNER AND CHEROT**  
A PROFESSIONAL CORPORATION

Ted Popely, Ron Somerville  
December 22, 2000  
Page 2

(FY 01) only. It also amends Sections 2 through 4 of the Pittman-Robertson Act to include the terms of the new program and account.

Funds may be used to support wildlife conservation and restoration programs and strategies, which may include conservation, conservation education and wildlife-associated recreation projects. As a condition for receiving a grant, States are required to develop and adopt comprehensive plans that include development and implementation, within five years, of a wildlife conservation strategy that analyzes and prioritizes the needs and problems of wildlife species and habitats. The federal grant may not exceed 75 percent of the cost of such program and no more than 10 percent of a State's apportionment may be used for wildlife-associated recreation. While grant funds may be used for conservation education, that may not be used for education projects or programs that promote or encourage opposition to regulated hunting or fishing. According to our rough calculations Alaska's share of the new fund should total between \$4 million and \$5 million.

**Coastal Impact Assistance**

Section 903 of the CJS bill amends the Outer Continental Shelf (OCS) Lands Act by adding a new Section 31 regarding Coastal Impact Assistance. Under the program, which is in fact, a one time \$150 million authorization (the bill explicitly says it is not to be construed as a permanent authorization), "Producing Coastal States" (i.e., within 200 miles from the center of a leased tract) shall receive impact assistance payments through the Secretary of Commerce. Sixty (60) percent of the funds are to be divided equally among all Producing Coastal States and forty (40) percent is to be allocated on the basis of OCS revenues, subject to a maximum of twenty-five (25) percent to any one State. Thirty-five (35) percent of each State's share is to be paid directly to coastal political subdivisions. This local share is to be allocated as follows: twenty-five (25) percent on the basis of population; (25) percent on the basis of coastline miles and fifty (50) percent on the basis of relative distance from any leased tract. Another portion of the bill appropriates the full \$150 million for FY 01.

In order to receive Impact Assistance funds, States are required to adopt Coastal Impact Assistance Plans, to be submitted to the Secretary of Commerce by July 1, 2001. Impact Assistance funds may be used for wetlands conservation and restoration, wildlife mitigation, implementation of approved marine, coastal or comprehensive conservation management plans, and mitigation of OCS Impacts (subject to a 23 percent cap). In addition, funds may be used for a variety of uses set forth in the Senate amendment to CARA (H.R. 701), including, among other things, National marine sanctuaries, fisheries conservation, conservation and restoration of coastal and marine

**BIRCH, HORTON, BITTNER AND CHELOT**  
A PROFESSIONAL CORPORATION

Ted Popely, Ron Somerville  
December 22, 2000  
Page 3

habitats, coastal water quality improvement, watershed protection, controlling coastline erosion and management of coastal growth and development.

Attached are relevant pages from the CJS Conference Report.

Attachment

106TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT  
 2d Session } { 106-1005

MAKING APPROPRIATIONS FOR THE GOVERNMENT OF THE DISTRICT OF  
 COLUMBIA AND OTHER ACTIVITIES CHARGEABLE IN WHOLE OR IN  
 PART AGAINST REVENUES OF SAID DISTRICT FOR THE FISCAL YEAR  
 ENDING SEPTEMBER 30, 2001, AND FOR OTHER PURPOSES

OCTOBER 26 (legislative day, OCTOBER 25), 2000.—Ordered to be printed

Mr. ISTOOK, from the committee of conference,  
 submitted the following

CONFERENCE REPORT

[To accompany H.R. 4942]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4942) "making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 2001, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

*Section 1. (a) The provisions of the following bills of the 106th Congress are hereby enacted into law:*

*(1) H.R. 5547, as introduced on October 25, 2000.*

*(2) H.R. 5548, as introduced on October 25, 2000.*

*(b) In publishing this Act in slip form and in the United States Statutes at Large pursuant to section 112 of title 1, United States Code, the Archivist of the United States shall include after the date of approval at the end appendixes setting forth the texts of the bills referred to in subsection (a) of this section.*

and 306A of the Coastal Zone Management Act of 1972, as amended, shall not exceed \$2,000,000: Provided further, That not to exceed \$31,439,000 shall be expended for Executive Direction and Administration, which consists of the Offices of the Undersecretary, the Executive Secretariat, Policy and Strategic Planning, International Affairs, Legislative Affairs, Public Affairs, Sustainable Development, the Chief Scientist, and the General Counsel: Provided further, That the aforementioned offices, excluding the Office of the General Counsel, shall not be augmented by personnel details, temporary transfers of personnel on either a reimbursable or nonreimbursable basis or any other type of formal or informal transfer or reimbursement of personnel or funds on either a temporary or long-term basis above the level of 42 personnel: Provided further, That no general administrative charge shall be applied against an assigned activity included in this Act and, further, that any direct administrative expenses applied against an assigned activity shall be limited to 5 percent of the funds provided for that assigned activity: Provided further, That any use of deobligated balances of funds provided under this heading in previous years shall be subject to the procedures set forth in section 605 of this Act.

In addition, for necessary retired pay expenses under the Retired Serviceman's Family Protection and Survivor Benefits Plan, and for payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act (10 U.S.C. ch. 55), such sums as may be necessary.

**PROCUREMENT, ACQUISITION AND CONSTRUCTION (INCLUDING  
TRANSFERS OF FUNDS)**

For procurement, acquisition and construction of capital assets, including alteration and modification costs, of the National Oceanic and Atmospheric Administration, \$682,899,000, to remain available until expended: Provided, That unexpended balances of amounts previously made available in the "Operations, Research, and Facilities" account for activities funded under this heading may be transferred to and merged with this account, to remain available until expended for the purposes for which the funds were originally appropriated: Provided further, That none of the funds provided in this Act or any other Act under the heading "National Oceanic and Atmospheric Administration, Procurement, Acquisition and Construction" shall be used to fund the construction and tenant build-out costs of a facility at the Suitland Federal Center.

**COASTAL AND OCEAN ACTIVITIES**

In addition, for coastal and ocean activities, \$420,000,000, to remain available until expended, of which \$135,000,000 is for ocean, coastal and waterway conservation programs; of which \$135,000,000 is for National Oceanic and Atmospheric Administration programs; and of which \$150,000,000 is for coastal impact assistance as authorized by section 31 of the Outer Continental Shelf Lands Act as authorized by section 903 of this Act: Provided, That of the funds provided under this heading for ocean and coastal conservation programs, \$10,000,000 is available for implementation of State nonpoint pollution control plans established pursuant to sec-

161

**TITLE VIII—DEBT REDUCTION**

AND OTHER MATTER

**DEPARTMENT OF THE TREASURY****BUREAU OF THE PUBLIC DEBT****GIFTS TO THE UNITED STATES FOR REDUCTION OF THE PUBLIC DEBT**

For deposit on November 1, 2000, of an additional amount into the account established under section 3113(d) of title 31, United States Code, to reduce the public debt, the amount equal to the difference between \$240,088,000,000 and the aggregate amount deposited into this account in other appropriation Acts for fiscal year 2001 enacted before such date.

**GENERAL PROVISION**

SEC. 801. Beginning on the first day of the 107th Congress, the Presiding Officer of the Senate shall apply all of the precedents of the Senate under Rule XXVIII in effect at the conclusion of the 103rd Congress. Further that there is now in effect a standing order of the Senate that the reading of conference reports, are no longer required, if the said conference report is available in the Senate.

**TITLE IX—WILDLIFE, OCEAN AND COASTAL  
CONSERVATION****SEC. 801. WILDLIFE CONSERVATION AND RESTORATION PLANNING.**

For expenses necessary to support activities that supplement, but not replace, existing funding available to the States and territories from the sport fish restoration account and wildlife restoration account and shall be used for the development, revision, and implementation of wildlife conservation and restoration plans and programs, \$50,000,000, to remain available until expended: Provided, That these funds may be used by a State, territory or an Indian Tribe for the planning and implementation of its wildlife conservation and restoration program and wildlife conservation strategy, including wildlife conservation, wildlife conservation education, and wildlife-associated recreation projects: Provided further, That the Secretary, after deducting administrative expenses shall make the following apportionment from the Wildlife Conservation and Restoration Account: (A) to the District of Columbia and to the Commonwealth of Puerto Rico, each a sum equal to not more than one-half of 1 percent thereof; (B) to Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands, each a sum equal to not more than one-fourth of 1 percent thereof: Provided further, That the Secretary shall apportion the remaining amount in the Wildlife Conservation and Restoration Account for each year among the States in the following manner: (A) one-third of which is based on the ratio to which the land area of such State bears to the total land area of all such States; and, (B) two-thirds of which is based on the ratio to which the population of such State bears to the total population of all such States: Provided further, That the amounts apportioned under this paragraph shall be adjusted equitably so that no State shall be apportioned a

sum which is less than 1 percent of the amount available for apportionment under this paragraph for any fiscal year or more than 5 percent of such amount: Provided further, That no State, territory or other jurisdiction shall receive a grant unless it has certified to the Service that it has in place, or has agreed to develop by a mutually agreed date certain, a wildlife conservation strategy and plan.

**SEC. 902. WILDLIFE CONSERVATION AND RESTORATION.**

(a) **PURPOSES.**—The purposes of this section are—

(1) to extend financial and technical assistance to the States under the Federal Aid to Wildlife Restoration Act for the benefit of a diverse array of wildlife and associated habitats, including species that are not hunted or fished, to fulfill unmet needs of wildlife within the States in recognition of the primary role of the States to conserve all wildlife;

(2) to assure sound conservation policies through the development, revision, and implementation of a comprehensive wildlife conservation and restoration plan;

(3) to encourage State fish and wildlife agencies to participate with the Federal Government, other State agencies, wildlife conservation organizations and outdoor recreation and conservation interests through cooperative planning and implementation of this title; and

(4) to encourage State fish and wildlife agencies to provide for public involvement in the process of development and implementation of a wildlife conservation and restoration program.

(b) **REFERENCE TO LAW.**—In this section, the term "Federal Aid in Wildlife Restoration Act" means the Act of September 2, 1937 (16 U.S.C. 669 et seq.), commonly referred to as the Federal Aid in Wildlife Restoration Act or the Pittman-Robertson Act.

(c) **DEFINITIONS.**—Section 2 of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669a) is amended to read as follows:

**"SEC. 2. DEFINITIONS.**

"As used in this Act—

"(1) the term 'conservation' means the use of methods and procedures necessary or desirable to sustain healthy populations of wildlife, including all activities associated with scientific resources management such as research, census, monitoring of populations, acquisition, improvement and management of habitat, live trapping and transplantation, wildlife damage management, and periodic or total protection of a species or population, as well as the taking of individuals within wildlife stock or population if permitted by applicable State and Federal law;

"(2) the term 'Secretary' means the Secretary of the Interior;

"(3) the term 'State fish and game department' or 'State fish and wildlife department' means any department or division of department of another name, or commission, or official or officials, of a State empowered under its laws to exercise the functions ordinarily exercised by a State fish and game department or State fish and wildlife department.

"(4) the term 'wildlife' means any species of wild, free-ranging fauna including fish, and also fauna in captive breeding

programs the object of which is to reintroduce individuals of a depleted indigenous species into previously occupied range;

"(5) the term 'wildlife-associated recreation' means projects intended to meet the demand for outdoor activities associated with wildlife including, but not limited to, hunting and fishing, wildlife observation and photography, such projects as construction or restoration of wildlife viewing areas, observation towers, blinds, platforms, land and water trails, water access, field trialing, trail heads, and access for such projects;

"(6) the term 'wildlife conservation and restoration program' means a program developed by a State fish and wildlife department and approved by the Secretary under section 304(d), the projects that constitute such a program, which may be implemented in whole or part through grants and contracts by a State to other State, Federal, or local agencies (including those that gather, evaluate, and disseminate information on wildlife and their habitats), wildlife conservation organizations, and outdoor recreation and conservation education entities from funds apportioned under this title, and maintenance of such projects;

"(7) the term 'wildlife conservation education' means projects, including public outreach, intended to foster responsible natural resource stewardship; and

"(8) the term 'wildlife-restoration project' includes the wildlife conservation and restoration program and means the selection, restoration, rehabilitation, and improvement of areas of land or water adaptable as feeding, resting, or breeding places for wildlife, including acquisition of such areas or estates or interests therein as are suitable or capable of being made suitable therefor, and the construction thereon or therein of such works as may be necessary to make them available for such purposes and also including such research into problems of wildlife management as may be necessary to efficient administration affecting wildlife resources, and such preliminary or incidental costs and expenses as may be incurred in and about such projects."

(d) WILDLIFE CONSERVATION AND RESTORATION ACCOUNT.—  
Section 3 of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669b) is amended—

(1) in subsection (a) by inserting "(1)" after "(a)", and by adding at the end the following:

"(2) There is established in the Federal aid to wildlife restoration fund a subaccount to be known as the 'Wildlife Conservation and Restoration Account'. There are authorized to be appropriated for the purposes of the Wildlife Conservation and Restoration Account \$50,000,000 in fiscal year 2001 for apportionment in accordance with this Act to carry out State wildlife conservation and restoration programs. Further, interest on amounts transferred shall be treated in a manner consistent with 16 U.S.C. 669(b)(1)."; and

(2) by adding at the end the following:

"(c)(1) Amounts transferred to the Wildlife Conservation and Restoration Account shall supplement, but not replace, existing funds available to the States from the sport fish restoration account and wildlife restoration account and shall be used for the develop-

ment, revision, and implementation of wildlife conservation and restoration programs and should be used to address the unmet needs for a diverse array of wildlife and associated habitats, including species that are not hunted or fished, for wildlife conservation, wildlife conservation education, and wildlife-associated recreation projects. Such funds may be used for new programs and projects as well as to enhance existing programs and projects.

"(2) Funds may be used by a State or an Indian tribe for the planning and implementation of its wildlife conservation and restoration program and wildlife conservation strategy, as provided in sections 4(d) and (e) of this Act, including wildlife conservation, wildlife conservation education, and wildlife-associated recreation projects. Such funds may be used for new programs and projects as well as to enhance existing programs and projects.

"(3) Priority for funding from the Wildlife Conservation and Restoration Account shall be for those species with the greatest conservation need as defined by the State wildlife conservation and restoration program.

"(d) Notwithstanding subsections (a) and (b) of this section, with respect to amounts transferred to the Wildlife Conservation and Restoration Account, so much of such amounts apportioned to any State for any fiscal year as remains unexpended at the close thereof shall remain available for obligation in that State until the close of the second succeeding fiscal year."

(e) APPORTIONMENTS OF AMOUNTS.—Section 4 of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669c) is amended by adding at the end the following new subsection:

"(c) APPORTIONMENT OF WILDLIFE CONSERVATION AND RESTORATION ACCOUNT.—

"(1) The Secretary of the Interior shall make the following apportionment from the Wildlife Conservation and Restoration Account:

"(A) to the District of Columbia and to the Commonwealth of Puerto Rico, each a sum equal to not more than one-half of 1 percent thereof;

"(B) to Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands, each a sum equal to not more than one-fourth of 1 percent thereof.

"(2)(A) The Secretary of the Interior, after making the apportionment under paragraph (1), shall apportion the remaining amount in the Wildlife Conservation and Restoration Account for each fiscal year among the States in the following manner:

"(i) one-third of which is based on the ratio to which the land area of such State bears to the total land area of all such States; and

"(ii) two-thirds of which is based on the ratio to which the population of such State bears to the total population of all such States.

"(B) The amounts apportioned under this paragraph shall be adjusted equitably so that no such State shall be apportioned a sum which is less than one percent of the amount available

for apportionment under this paragraph for any fiscal year or more than five percent of such amount.

"(3) Of the amounts transferred to the Wildlife Conservation and Restoration Account, not to exceed 3 percent shall be available for any Federal expenses incurred in the administration and execution of programs carried out with such amounts.

"(d) WILDLIFE CONSERVATION AND RESTORATION PROGRAMS.—

"(1) Any State, through its fish and wildlife department, may apply to the Secretary of the Interior for approval of a wildlife conservation and restoration program, or for funds from the Wildlife Conservation and Restoration Account, to develop a program. To apply, a State shall submit a comprehensive plan that includes—

"(A) provisions vesting in the fish and wildlife department of the State overall responsibility and accountability for the program;

"(B) provisions for the development and implementation of—

"(i) wildlife conservation projects that expand and support existing wildlife programs, giving appropriate consideration to all wildlife;

"(ii) wildlife-associated recreation projects; and

"(iii) wildlife conservation education projects pursuant to programs under section 8(a); and

"(C) provisions to ensure public participation in the development, revision, and implementation of projects and programs required under this paragraph.

"(D) WILDLIFE CONSERVATION STRATEGY.—Within five years of the date of the initial apportionment, develop and begin implementation of a wildlife conservation strategy based upon the best available and appropriate scientific information and data that—

"(i) uses such information on the distribution and abundance of species of wildlife, including low population and declining species as the State fish and wildlife department deems appropriate, that are indicative of the diversity and health of wildlife of the State;

"(ii) identifies the extent and condition of wildlife habitats and community types essential to conservation of species identified under paragraph (1);

"(iii) identifies the problems which may adversely affect the species identified under paragraph (1) or their habitats, and provides for priority research and surveys to identify factors which may assist in restoration and more effective conservation of such species and their habitats;

"(iv) determines those actions which should be taken to conserve the species identified under paragraph (1) and their habitats and establishes priorities for implementing such conservation actions;

"(v) provides for periodic monitoring of species identified under paragraph (1) and their habitats and the effectiveness of the conservation actions determined under paragraph (4), and for adapting conservation ac-

tions as appropriate to respond to new information or changing conditions;

"(vi) provides for the review of the State wildlife conservation strategy and, if appropriate, revision at intervals of not more than ten years;

"(vii) provides for coordination to the extent feasible the State fish and wildlife department, during the development, implementation, review, and revision of the wildlife conservation strategy, with Federal, State, and local agencies and Indian tribes that manage significant areas of land or water within the State, or administer programs that significantly affect the conservation of species identified under paragraph (1) or their habitats.

"(2) A State shall provide an opportunity for public participation in the development of the comprehensive plan required under paragraph (1).

"(3) If the Secretary finds that the comprehensive plan submitted by a State complies with paragraph (1), the Secretary shall approve the wildlife conservation and restoration program of the State and set aside from the apportionment to the State made pursuant to subsection (c) an amount that shall not exceed 75 percent of the estimated cost of developing and implementing the program.

"(4)(A) Except as provided in subparagraph (B), after the Secretary approves a State's wildlife conservation and restoration program, the Secretary may make payments on a project that is a segment of the State's wildlife conservation and restoration program as the project progresses. Such payments, including previous payments on the project, if any, shall not be more than the United States pro rata share of such project. The Secretary, under such regulations as he may prescribe, may advance funds representing the United States pro rata share of a project that is a segment of a wildlife conservation and restoration program, including funds to develop such program.

"(B) Not more than 10 percent of the amounts apportioned to each State under this section for a State's wildlife conservation and restoration program may be used for wildlife-associated recreation.

"(6) For purposes of this subsection, the term 'State' shall include the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands."

(f) FACA.—Coordination with State fish and wildlife agency personnel or with personnel of other State agencies pursuant to the Federal Aid in Wildlife Restoration Act or the Federal Aid in Sport Fish Restoration Act shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.). Except for the preceding sentence, the provisions of this title relate solely to wildlife conservation and restoration programs and shall not be construed to affect the provisions of the Federal Aid in Wildlife Restoration Act relating to wildlife restoration projects or the provisions of the Federal Aid in Sport Fish Restoration Act relating to fish restoration and management projects.

(g) **EDUCATION.**—Section 8(a) of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669g(a)) is amended by adding the following at the end thereof: “Funds from the Wildlife Conservation and Restoration Account may be used for a wildlife conservation education program, except that no such funds may be used for education efforts, projects, or programs that promote or encourage opposition to the regulated taking of wildlife.”

(h) **PROHIBITION AGAINST DIVERSION.**—No designated State agency shall be eligible to receive matching funds under this title if sources of revenue available to it after January 1, 2000, for conservation of wildlife are diverted for any purpose other than the administration of the designated State agency, it being the intention of Congress that funds available to States under this title be added to revenues from existing State sources and not serve as a substitute for revenues from such sources. Such revenues shall include interest, dividends, or other income earned on the foregoing.

(i) **NORTH AMERICAN WETLANDS CONSERVATION ACT.**—Section 7(c) of the North American Wetlands Conservation Act (16 U.S.C. 4406(c)) is amended by striking “\$30,000,000” and inserting “\$50,000,000”.

**SEC. 903. COASTAL IMPACT ASSISTANCE.**

The Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) is amended by adding at the end the following:

**“SEC. 31. COASTAL IMPACT ASSISTANCE.**

“Nothing in this section shall be construed as a permanent authorization.

“(a) **DEFINITIONS.**—When used in this section—

“(1) The term ‘coastal political subdivision’ means a county, parish, or any equivalent subdivision of a Producing Coastal State all or part of which subdivision lies within the coastal zone (as defined in section 304(1) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453(1)).

“(2) The term ‘coastal population’ means the population of all political subdivisions, as determined by the most recent official data of the Census Bureau, contained in whole or in part within the designated coastal boundary of a State as defined in a State’s coastal zone management program under the Coastal Zone Management Act (16 U.S.C. 1451 et seq.).

“(3) The term ‘Coastal State’ has the same meaning as provided by subsection 304(4) of the Coastal Zone Management Act (16 U.S.C. 1453(4)).

“(4) The term ‘coastline’ has the same meaning as the term ‘coast line’ as defined in subsection 2(c) of the Submerged Lands Act (43 U.S.C. 1301(c)).

“(5) The term ‘distance’ means minimum great circle distance, measured in statute miles.

“(6) The term ‘leased tract’ means a tract maintained under section 6 or leased under section 8 for the purpose of drilling for, developing, and producing oil and natural gas resources.

“(7) The term ‘Producing Coastal State’ means a Coastal State with a coastal seaward boundary within 200 miles from the geographic center of a leased tract other than a leased tract within any area of the Outer Continental Shelf where a morato-

rium on new leasing was in effect as of January 1, 2000, unless the lease was issued prior to the establishment of the moratorium and was in production on January 1, 2000.

"(8) The term 'qualified Outer Continental Shelf revenues' means all amounts received by the United States from each leased tract or portion of a leased tract lying seaward of the zone defined and governed by section 8(g) of this Act, or lying within such zone but to which section 8(g) does not apply, the geographic center of which lies within a distance of 200 miles from any part of the coastline of any Coastal State, including bonus bids, rents, royalties (including payments for royalties taken in kind and sold), net profit share payments, and related late payment interest. Such term does not include any revenues from a leased tract or portion of a leased tract that is included within any area of the Outer Continental Shelf where a moratorium on new leasing was in effect as of January 1, 2000, unless the lease was issued prior to the establishment of the moratorium and was in production on January 1, 2000.

"(9) The term 'Secretary' means Secretary of Commerce.

"(b) AUTHORIZATION.—For fiscal year 2001, \$150,000,000 is authorized to be appropriated for the purposes of this section.

"(c) IMPACT ASSISTANCE PAYMENTS TO STATES AND POLITICAL SUBDIVISIONS.—The Secretary shall make payments from the amounts available under this section to Producing Coastal States with an approved Coastal Impact Assistance Plan, and to coastal political subdivisions as follows:

"(1) ALLOCATIONS TO PRODUCING COASTAL STATES.—In each fiscal year, each Producing Coastal State's allocable share shall be equal to the sum of the following:

"(A) 60 percent of the amounts appropriated shall be equally divided among all Producing Coastal States;

"(B) 40 percent of the amounts appropriated for the purposes of this section shall be divided among Producing Coastal States based on Outer Continental Shelf production, except that of such amounts no Producing Coastal State may receive more than 25 percent in any fiscal year.

"(2) CALCULATION.—The amount for each Producing Coastal State under paragraph (1)(B) shall be calculated based on the ratio of qualified OCS revenues generated off the coastline of the Producing Coastal State to the qualified OCS revenues generated off the coastlines of all Producing Coastal States for the period beginning on January 1, 1995 and ending on December 31, 2000. Where there is more than one Producing Coastal State within 200 miles of a leased tract, the amount of each Producing Coastal State's payment under paragraph (1)(B) for such leased tract shall be inversely proportional to the distance between the nearest point on the coastline of such State and the geographic center of each leased tract or portion of the leased tract (to the nearest whole mile) that is within 200 miles of that coastline, as determined by the Secretary. A leased tract or portion of a leased tract shall be excluded if the tract or portion is located in a geographic area where a moratorium on new leasing was in effect on January 1, 2000, unless the lease was

issued prior to the establishment of the moratorium and was in production on January 1, 2000.

**"(3) PAYMENTS TO COASTAL POLITICAL SUBDIVISIONS.**—Thirty-five percent of each Producing Coastal State's allocable share as determined under paragraph (1) shall be paid directly to the coastal political subdivisions by the Secretary based on the following formula, except that a coastal political subdivision in the State of California that has a coastal shoreline, that is not within 200 miles of the geographic center of a leased tract or portion of a leased tract, and in which there is located one or more oil refineries shall be eligible for that portion of the allocation described in paragraph (C) in the same manner as if that political subdivision were located within a distance of 50 miles from the geographic center of the closest leased tract with qualified Outer Continental Shelf revenues:

**"(A)** 25 percent shall be allocated based on the ratio of such coastal political subdivision's coastal population to the coastal population of all coastal political subdivisions in the Producing Coastal State.

**"(B)** 25 percent shall be allocated based on the ratio of such coastal political subdivision's coastline miles to the coastline miles of all coastal political subdivisions in the Producing Coastal State.

**"(C)** 50 percent shall be allocated based on the relative distance of such coastal political subdivision from any leased tract used to calculate that Producing Coastal State's allocation using ratios that are inversely proportional to the distance between the point in the coastal political subdivision closest to the geographic center of each leased tract or portion, as determined by the Secretary. For purposes of the calculations under this subparagraph, a leased tract or portion of a leased tract shall be excluded if the leased tract or portion is located in a geographic area where a moratorium on new leasing was in effect on January 1, 2000, unless the lease was issued prior to the establishment of the moratorium and was in production on January 1, 2000.

**"(4) FAILURE TO HAVE PLAN APPROVED.**—Any amount allocated to a Producing Coastal State or coastal political subdivision but not disbursed because of a failure to have an approved Coastal Impact Assistance Plan under this section shall be allocated equally by the Secretary among all other Producing Coastal States in a manner consistent with this subsection except that the Secretary shall hold in escrow such amount until the final resolution of any appeal regarding the disapproval of a plan submitted under this section. The Secretary may waive the provisions of this paragraph and hold a Producing Coastal State's allocable share in escrow if the Secretary determines that such State is making a good faith effort to develop and submit, or update, a Coastal Impact Assistance Plan.

**"(d) COASTAL IMPACT ASSISTANCE PLAN.**—

**"(1) DEVELOPMENT AND SUBMISSION OF STATE PLANS.**—The Governor of each Producing Coastal State shall prepare, and submit to the Secretary, a Coastal Impact Assistance Plan. The

Governor shall solicit local input and shall provide for public participation in the development of the plan. The plan shall be submitted to the Secretary by July 1, 2001. Amounts received by Producing Coastal States and coastal political subdivisions may be used only for the purposes specified in the Producing Coastal State's Coastal Impact Assistance Plan.

"(2) APPROVAL.—The Secretary shall approve a plan under paragraph (1) prior to disbursement of amounts under this section. The Secretary shall approve the plan if the Secretary determines that the plan is consistent with the uses set forth in subsection (e) and if the plan contains each of the following:

"(A) The name of the State agency that will have the authority to represent and act for the State in dealing with the Secretary for purposes of this section.

"(B) A program for the implementation of the plan which describes how the amounts provided under this section will be used.

"(C) A contact for each political subdivision and description of how coastal political subdivisions will use amounts provided under this section, including a certification by the Governor that such uses are consistent with the requirements of this section.

"(D) Certification by the Governor that ample opportunity has been accorded for public participation in the development and revision of the plan.

"(E) Measures for taking into account other relevant Federal resources and programs.

"(3) PROCEDURE.—The Secretary shall approve or disapprove each plan or amendment within 90 days of its submission.

"(4) AMENDMENT.—Any amendment to the plan shall be prepared in accordance with the requirements of this subsection and shall be submitted to the Secretary for approval or disapproval.

"(e) AUTHORIZED USES.—Producing Coastal States and coastal political subdivisions shall use amounts provided under this section, including any such amounts deposited in a State or coastal political subdivision administered trust fund dedicated to uses consistent with this subsection, in compliance with Federal and State law and only for one or more of the following purposes:

"(1) uses set forth in new section 32(c)(4) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) proposed by the amendment to H.R. 701 of the 106th Congress as reported by the Senate Committee on Energy and Natural Resources;

"(2) projects and activities for the conservation, protection or restoration of wetlands;

"(3) mitigating damage to fish, wildlife or natural resources, including such activities authorized under subtitle B of title IV of the Oil Pollution Act of 1990 (33 U.S.C. 1321(c), (d));

"(4) planning assistance and administrative costs of complying with the provisions of this section;

"(5) implementation of Federally approved marine, coastal, or comprehensive conservation management plans; and

"(6) mitigating impacts of Outer Continental Shelf activities through funding of (A) onshore infrastructure projects and (B) other public service needs intended to mitigate the environmental effects of Outer Continental Shelf activities: Provided, That funds made available under this paragraph shall not exceed 23 percent of the funds provided under this section.

"(f) COMPLIANCE WITH AUTHORIZED USES.—If the Secretary determines that any expenditure made by a Producing Coastal State or coastal political subdivision is not consistent with the uses authorized in subsection (e), the Secretary shall not disburse any further amounts under this section to that Producing Coastal State or coastal political subdivision until the amounts used for the inconsistent expenditure have been repaid or obligated for authorized uses."

## TITLE X—LOCAL TV ACT

### SECTION 1001. SHORT TITLE.

This title may be cited as the "Launching Our Communities' Access to Local Television Act of 2000".

### SEC. 1002. PURPOSE.

The purpose of this Act is to facilitate access, on a technologically neutral basis and by December 31, 2006, to signals of local television stations for households located in nonserved areas and underserved areas.

### SEC. 1003. LOCAL TELEVISION LOAN GUARANTEE BOARD.

(a) ESTABLISHMENT.—There is established the LOCAL Television Loan Guarantee Board (in this Act referred to as the "Board").

#### (1) MEMBERS.—

(1) IN GENERAL.—Subject to paragraph (2), the Board shall consist of the following members:

(A) The Secretary of the Treasury, or the designee of the Secretary.

(B) The Chairman of the Board of Governors of the Federal Reserve System, or the designee of the Chairman.

(C) The Secretary of Agriculture, or the designee of the Secretary.

(D) The Secretary of Commerce, or the designee of the Secretary.

(2) REQUIREMENT AS TO DESIGNEE.—An individual may not be designated a member of the Board under paragraph (1) unless the individual is an officer of the United States pursuant to an appointment by the President, by and with the advice and consent of the Senate.

#### (c) FUNCTIONS OF THE BOARD.—

(1) IN GENERAL.—The Board shall determine whether or not to approve loan guarantees under this Act. The Board shall make such determinations consistent with the purpose of this Act and in accordance with this subsection and section 4.

#### (2) CONSULTATION AUTHORIZED.—

(A) IN GENERAL.—In carrying out its functions under this Act, the Board shall consult with such departments

**Systems Acquisition.**—Of the funding provided for Polar Spacecraft and Launching, \$73,325,000 is for Polar Convergence. A total of \$290,824,000 for the Geostationary Spacecraft and Launching line is provided as requested in the budget.

**Construction.**—The funds appropriated for National Estuarine Research Reserve construction are to be distributed as follows: \$7,000,000 is for overall NERRS requirements, and \$500,000 is for the Jacques Cousteau NERRS. The funds appropriated for Alaska facilities are to be distributed as follows: \$15,000,000 is for the Juneau Lab, and \$4,000,000 is for the SeaLife Center. The conference agreement includes \$3,000,000 for architecture and engineering of a building for the University of Oklahoma. The conference agreement assumes that funding for NOAA's occupancy of the proposed building will be based on an operating lease arrangement once the building has been constructed by the University of Oklahoma and is ready for NOAA occupancy.

In addition, the conference agreement includes \$15,000,000 for NOAA's Suitland, Maryland facility. Funding is provided to cover those costs in addition to the basic building costs provided by the GSA. Bill language is included to prohibit the Department of Commerce from paying the traditional GSA building requirements for the Suitland facility.

**Fleet Replacement.**—The conference agreement includes funding for the refurbishment of the *Fairweather* in Alaska and the Navy Surplus YTT vessel, other than baseline operations, in South Carolina.

#### COASTAL AND OCEAN ACTIVITIES

In addition to the funds provided to the National Oceanic and Atmospheric Administration in the above table and narrative, the conference agreement includes an additional \$420,000,000 for special purposes. Of this amount, \$150,000,000 is for coastal impact assistance as authorized by section 31 of the Outer Continental Shelf Act for fiscal year 2001 only and does not alter the underlying authorization; \$135,000,000 is for ocean, coastal and conservation programs, and \$135,000,000 is for National Oceanic and Atmospheric Administration programs. Of the funds provided for ocean, coastal and conservation programs, \$10,000,000 is provided for implementation of State nonpoint pollution control plans pursuant to section 6217 of the Coastal Zone Act, as amended, other than non-contiguous States except Hawaii; \$30,000,000 is for competitive grants for coastal communities in the Great Lakes region; \$14,000,000 is for the University of New Hampshire marine facilities program; \$1,000,000 is for the Sea Coast Science Center; \$9,000,000 is for the Great Bay Partnership; \$1,000,000 is for the New Hampshire Department of Environmental Services Marsh Restoration initiative; \$1,000,000 is for the Mississippi Laboratories at Pascagoula, \$8,000,000 is for the ACE Basin NERRS Research Center construction, \$2,500,000 is for Winyah Bay land acquisition, \$2,000,000 is for ACE Basin Land Acquisition, \$10,000,000 is for the SeaLife Center, \$4,000,000 is for Kachameck Bay NERRS research center construction; \$1,000,000 is for the Raritan, N.J. NERRS land acquisition; \$10,000,000 is for DuPage River restoration; \$1,000,000 if for Detroit River restoration,

318

## TITLE VII—RESCISSIONS

## DEPARTMENT OF JUSTICE

DRUG ENFORCEMENT ADMINISTRATION  
 DRUG DIVERSION CONTROL FEE ACCOUNT  
 (RESCISSION)

The conference agreement includes a rescission of \$8,000,000 from the amounts otherwise available for obligation in fiscal year 2001 for the "Drug Diversion Control Fee Account", as proposed in the Senate-reported amendment. The House bill did not include a rescission from this account.

## RELATED AGENCIES

## DEPARTMENT OF TRANSPORTATION

MARITIME ADMINISTRATION  
 MARITIME GUARANTEED LOAN (TITLE XI) PROGRAM ACCOUNT  
 (RESCISSION)

The conference agreement includes a rescission of \$7,644,000 from unobligated balances under this heading, as proposed in the House bill. The Senate-reported amendment did not include a rescission from this account.

The conference agreement does not include a title providing contingent emergency funds for a "Southwest Border Initiative" for certain Department of Justice and Federal Judiciary accounts, as proposed in the Senate-reported amendment.

These needs are instead addressed in the regular accounts for such programs in Title I and Title III of this Act.

## TITLE VIII—DEBT REDUCTION

## DEPARTMENT OF TREASURY

## BUREAU OF THE PUBLIC DEBT

## Gifts to the United States for Reduction of the Public Debt

The conference agreement includes a new title depositing an additional amount in fiscal year 2001 into the account established under 31 U.S.C. section 3113(d), to reduce the public debt.

TITLE IX—WILDLIFE, OCEAN AND COASTAL  
CONSERVATION

Secs. 901-902.—The conference agreement includes \$50,000,000 for formula grants to the States for wildlife conservation and restoration programs. Funding is provided through the U.S. Fish and Wildlife Service in the Department of Interior. This amount is in addition to funds provided for new, competitively awarded and cost-shared wildlife programs in the FY 2001 Interior Appropriations Act. This action recognizes wild life conservation as

a critical component of a nationwide strategy and supports state efforts in wildlife conservation and restoration. The conference agreement includes authorization language for this program.

Funding has been provided for the development, revision, and implementation of wildlife conservation and restoration programs and plans to address the unmet needs for a diverse array of wildlife and associated habitats. Funds provided to states or Indian Tribes may be used for planning and implementation of wildlife conservation programs and conservation strategies, including wildlife conservation, wildlife conservation education, and wildlife-associated recreation projects, for new programs and projects as well as to enhance existing programs and projects.

Each state's apportionment is determined by formula which considers the total area of the state (1/3 of the formula) and the population (2/3 of the formula). No state will receive an amount that is less than one percent of the amount available or more than five percent for any fiscal year. Puerto Rico and the District of Columbia each receive a sum equal to not more than one-half of one percent and Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands each receive a sum equal to not more than one-fourth of one percent. The conference agreement requires States and other jurisdiction to have or agree to develop a wildlife conservation strategy and plan as a condition for receiving a federal grant under this program.

Sec. 903.—The conference agreement includes language authorizing a coastal impact assistance program for fiscal year 2001.

#### TITLE X

The conference agreement includes a new title X to authorize loan guarantees in order to facilitate access to local television broadcast signals in unserved and underserved areas, and for other purposes.

#### TITLE XI

The conference agreement includes a new title XI, the Legal Immigration Family Equity Act.

**2/12/01**

**STATE-**

**WIDE**

**LEASING**

**HFIN**

**FILE**

## Leases Budget Request Unit

**Contact: Chris Parce, Director, Division of General Services**  
 Tel: (907) 465-2250 Fax: (907) 465-2189 E-mail: Chris\_Parce@admin.state.ak.us

### BRU Mission

Provide cost effective and efficient office space for state agencies in a timely manner.

### BRU Services Provided

- Procure private lease space for the use of state agencies.
- Manage and administer over 260 leases statewide.
- Manage and administer use of space in state leased facilities.
- Provide space-planning recommendations.
- Conduct lease rate and lease space availability market research studies.
- Consolidate state owned and/or leases space when economies can be realized.

### BRU Goals and Strategies

- Provide cost effective management of the State's lease portfolio.
- Assure efficient use of space in state leased facilities.
  - Provide suitable, economical office space that meets state agency needs.
  - Replace, in a timely and efficient manner, expiring state leases where needed.
  - Implement an improved tracking system to provide better state agency customer service and response time.

### Key BRU Issues for FY2001 – 2002

- Deploy an automated lease tracking and projection data management system.
- Obtain replacement space for leases expiring in FY2001 and FY2002.
- Obtain new or additional space for state agencies as required.

The following leases have expirations during FY2002 and if they are replaced, the cost of a new lease may exceed the limits set in AS 36.30.080 (c) of \$500,000 per year or \$2.5 million for the life of the lease; this list shall serve as the required notification. The annual lease costs are the costs of the current leases. Replacement of these leases will take place throughout the next fiscal year and the actual replacement costs are not known at the time of budget preparation. A projection of the potential total cost of the replacement leases has been included. This estimate is simply the current annual cost multiplied by 15 to represent the average length of a new lease including renewal options. The actual annual and total cost of each lease will be determined by market conditions at the time of solicitation.

Lease #	Location	Current Agency	Annual Sq. Ft.	Expiration Cost	Potential Date	Total Cost
N/A	Anchorage	H&SS	24,076	722,280	N/A	10,834,200
2181	Juneau	Law/DOA	8,673	174,848	6/30/01	2,888,109
N/A	Anchorage	DOA	8,644	217,000	11/30/17	3,255,000
N/A	Anchorage	DCED	23,000	550,000	3/31/26	8,250,000
2371	Fairbanks	DOT/PF	14,202	288,000	7/31/17	4,320,000

### Major BRU Accomplishments for FY2000

- Obtained replacement space for leases expiring in FY2000 and FY2001.
- Consolidated the Department of Health and Social Services administrative offices in Anchorage.

- Provided space to be used by the consolidated Department of Community and Economic Development.
- Designed, planned, constructed and relocated the Office of the Governor, the Department of Revenue, the Department of Community and Economic Development, and the Department of Natural Resources from the Frontier Building to the Atwood Building in Anchorage.

## Leases

## BRU Financial Summary by Component

*All dollars in thousands*

	FY2000 Actuals				FY2001 Authorized				FY2002 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<b>Formula Expenditures</b>												
None.												
<b>Non-Formula Expenditures</b>												
Leases	23,885.6	0.0	11,447.6	35,333.2	20,331.7	0.0	10,427.6	30,759.3	22,192.6	0.0	10,427.6	32,620.2
Lease Administration	559.3	0.0	114.9	674.2	386.7	0.0	118.8	505.5	385.5	0.0	118.5	504.0
<b>Totals</b>	<b>24,444.9</b>	<b>0.0</b>	<b>11,562.5</b>	<b>36,007.4</b>	<b>20,718.4</b>	<b>0.0</b>	<b>10,546.4</b>	<b>31,264.8</b>	<b>22,578.1</b>	<b>0.0</b>	<b>10,546.1</b>	<b>33,124.2</b>

## Leases

## Proposed Changes in Levels of Service for FY2002

## Funding for Lease Obligations:

An increment request for \$1,900.0 of General Funds is requested and will be used to pay contractual lease obligations.

## Agency Operations Transfer to PBF Building:

In FY2001 the Department of Public Safety moved from private leased space to the Juneau Public Safety Building (a Public Building Fund facility). Therefore, a transfer from the Leases component to the Department of Public Safety's State Facilities Rent is requested.

A transfer to the Department of Community and Economic Development State Facilities Rent component will adjust their Atwood Building funding level to their actual level of facility occupancy. During the transition to the Atwood Building from private lease space the measurement of actual space occupied by the agency was not possible due to construction.

## Leases

## Summary of BRU Budget Changes by Component

## From FY2001 Authorized to FY2002 Governor

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2001 Authorized</b>	20,718.4	0.0	10,546.4	31,264.8
<b>Adjustments which will continue current level of service:</b>				
-Leases	-39.1	0.0	0.0	-39.1
-Lease Administration	-1.2	0.0	-0.3	-1.5
<b>Proposed budget increases:</b>				
-Leases	1,900.0	0.0	0.0	1,900.0
<b>FY2002 Governor</b>	<b>22,578.1</b>	<b>0.0</b>	<b>10,546.1</b>	<b>33,124.2</b>

**Component: Leases**

**Contact: Chris Parce, Director, Division of General Services**  
 Tel: (907) 465-2250 Fax: (907) 465-2198 E-mail: Chris\_Parce@admin.state.ak.us

**Component Mission**

This component holds the funding to pay state lease costs – please refer to the Lease Administration component for a more complete description of this component.

**Component Services Provided**

This component holds the funding to pay state lease costs – please refer to the Lease Administration component for a more complete description of this component.

**Component Goals and Strategies**

This component holds the funding to pay state lease costs – please refer to the Lease Administration component for a more complete description of this component.

**Key Component Issues for FY2001 – 2002**

This component holds the funding to pay state lease costs – please refer to the Lease Administration component for a more complete description of this component.

**Major Component Accomplishments for FY2000**

This component holds the funding to pay state lease costs – please refer to the Lease Administration component for a more complete description of this component.

**Statutory and Regulatory Authority**

AS 36.30.080  
 AS 44.21.020 (1), (5)

**Key Performance Measures for FY2002**

**Measure: The cost per square foot of leased space.**  
*(Added by Legislature in FY2001 version.)*

**Measure: The length of time taken to procure leased space.**  
*(Added by Legislature in FY2001 version.)*

**Status of FY2001 Performance Measures**

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
• The cost per square foot of leased space.			X		
• The length of time taken to procure leased space.			X		

**Leases**  
**Component Financial Summary**

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	34,978.6	30,759.3	32,620.2
74000 Supplies	0.0	0.0	0.0
75000 Equipment	354.6	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>35,333.2</b>	<b>30,759.3</b>	<b>32,620.2</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	23,885.6	20,331.7	22,192.6
1007 Inter-Agency Receipts	11,447.6	10,427.6	10,427.6
<b>Funding Totals</b>	<b>35,333.2</b>	<b>30,759.3</b>	<b>32,620.2</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
<b>Unrestricted Revenues</b>						
Unrestricted Fund	68515	17.6	17.6	17.6	17.6	17.6
<b>Unrestricted Total</b>		<b>17.6</b>	<b>17.6</b>	<b>17.6</b>	<b>17.6</b>	<b>17.6</b>
<b>Restricted Revenues</b>						
Interagency Receipts	51015	11,447.6	10,427.6	10,427.6	10,427.6	10,427.6
<b>Restricted Total</b>		<b>11,447.6</b>	<b>10,427.6</b>	<b>10,427.6</b>	<b>10,427.6</b>	<b>10,427.6</b>
<b>Total Estimated Revenues</b>		<b>11,465.2</b>	<b>10,445.2</b>	<b>10,445.2</b>	<b>10,445.2</b>	<b>10,445.2</b>

## Leases

## Proposed Changes in Levels of Service for FY2002

## Funding for Lease Obligations:

An increment request for \$1,900.0 of General Funds is requested and will be used to pay contractual lease obligations.

## Agency Operations Transfer to PBF Building:

In FY2001 the Department of Public Safety moved from private leased space to the Juneau Public Safety Building (a Public Building Fund facility). Therefore, a transfer from the Leases component to the Department of Public Safety's State Facilities Rent is requested.

A transfer to the Department of Community and Economic Development State Facilities Rent component will adjust their Atwood Building funding level to their actual level of facility occupancy. During the transition to the Atwood Building from private lease space the measurement of actual space occupied by the agency was not possible due to construction.

## Summary of Component Budget Changes

## From FY2001 Authorized to FY2002 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2001 Authorized</b>	20,331.7	0.0	10,427.6	30,759.3
<b>Adjustments which will continue current level of service:</b>				
-Transfer to Dept. of Public Safety	-24.3	0.0	0.0	-24.3
-Transfer to Dept. of Community & Economic Development	-14.8	0.0	0.0	-14.8
<b>Proposed budget increases:</b>				
-Funding for Lease Obligations	1,900.0	0.0	0.0	1,900.0
<b>FY2002 Governor</b>	<b>22,192.6</b>	<b>0.0</b>	<b>10,427.6</b>	<b>32,620.2</b>

**Component Detail**  
**Department of Administration**

Component: Leases (81)  
 BRU: Leases (316)

	FY2000 Actuals	FY2001 Conference Committee	FY2001 Authorized	FY2001 Management Plan	FY2002 Governor	FY2001 Management Plan vs FY2002 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Contractual	34,978.6	32,762.7	30,759.3	30,759.3	32,620.2	1,860.9	6.0%
74000 Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Equipment	354.6	0.0	0.0	0.0	0.0	0.0	0.0%
76000 Land/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>35,333.2</b>	<b>32,762.7</b>	<b>30,759.3</b>	<b>30,759.3</b>	<b>32,620.2</b>	<b>1,860.9</b>	<b>6.0%</b>
<b>Funding Sources:</b>							
1004 Gen Fund	23,885.6	22,335.1	20,331.7	20,331.7	22,192.6	1,860.9	9.2%
1007 I/A Rcpts	11,447.6	10,427.6	10,427.6	10,427.6	10,427.6	0.0	0.0%
<b>Positions:</b>							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

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## Restricted Revenue Detail

### Department of Administration

Component: Leases (81)

BRU: Leases (316)

Master Account	Revenue Description	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
51015	Interagency Receipts	11,447.6	10,427.6	10,427.6	10,427.6	10,427.6

**Detail Information**

Revenue Account	Revenue Description	AKSAS Fund	Collocation Code	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
59015	Office Of The Governr	11100	2560376	44.3	24.8	24.8	24.8	24.8
59020	Administration	11100	2560376	328.9	344.5	344.5	400.0	400.0
59030	Law	11100	2560376	761.8	772.2	772.2	779.4	779.4
59040	Revenue	11100	2560376	2,645.5	103.0	103.0	123.4	123.4
59050	Education	11100	2560376	230.2	232.8	232.8	234.2	234.2
59060	Health & Social Svcs	11100	2560376	3,234.4	4,718.6	4,718.6	4,134.3	4,134.3
59070	Labor	11100	2560376	1,290.9	1,229.0	1,229.0	1,341.6	1,341.6
59080	Commrc & Economic Dev	11100	2560376	637.1	657.0	657.0	755.0	755.0
59090	Military & Vet Affrs	11100	2560376	24.6	29.0	29.0	277.9	277.9
59100	Natural Resources	11100	2560376	317.4	336.3	336.3	380.9	380.9
59110	Fish & Game	11100	2560376	331.3	334.2	334.2	357.5	357.5

**Restricted Revenue Detail**

**Department of Administration**

Component: Leases (81)

BRU: Leases (316)

Master Account	Revenue Description	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
51015	Interagency Receipts	11,447.6	10,427.6	10,427.6	10,427.6	10,427.6

**Detail Information**

Revenue Account	Revenue Description	AKSAS Fund	Collocation Code	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
59120	Public Safety	11100	2560376	237.8	249.4	249.4	277.6	277.6
59180	Environmental Consvn	11100	2560376	1,167.9	1,173.6	1,173.6	1,122.3	1,122.3
59200	Adult Corrections	11100	2560376	169.1	197.0	197.0	191.4	191.4
59250	Dotpf Op, Tpb, & Othr	11100	2560376	26.4	26.2	26.2	27.3	27.3

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# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

### Division of Legislative Audit



P.O. Box 113300  
 Juneau, AK 99811-3300  
 (907) 465-3830  
 FAX (907) 465-2347  
 Internet e-mail address:  
 legaudit@legis.state.ak.us

### MEMORANDUM

**TO:** The Honorable Eldon Mulder  
 Alaska State Representative

**FROM:** Pat Davidson *PD*  
 Legislative Auditor

**DATE:** January 5, 2001

**RE:** Division of Motor Vehicles Space Lease

*— Do we own existing bldg?*  
*— Design Buided?*  
*— when will New Bldg be ready?*

At your request, we conducted a preliminary review of the space acquisition for the Division of Motor Vehicles (DMV) to determine whether an audit was indicated.

#### Background

DMV wished to consolidate its Anchorage field office, accounting, and warehouse functions into one facility. It also wanted to avoid some upcoming road construction in the area. The Division of General Services contracted for a professional space planner to assist in establishing the requirements for a request for proposal (RFP) for a space lease. The RFP specified approximately 15,000-16,000 square feet of office space and 2,800 square feet of warehouse space. This space was to be located in mid-Anchorage. The lease term would be for nine years, with three three-year extensions.

The proposals were to be evaluated on Function (25%), Appearance and Indoor Environment (10%), Public Convenience (20%), Alaska Bidder (10%), and Price (35%). The Price component was made up of the initial annual lease amount less any reduction for the extension periods.

The RFP drew five proposals. Four individuals from DMV and one from General Services evaluated the proposals. North Star easily won before the price was even considered. That is, even if North Star had received zero price points and all the other bidders had received the full 35%, North Star still would have won. A contract has not yet been signed.

#### Our Observations

The specifications in the RFP are not unreasonable. It will be high-quality space, but not extravagant. It did seem that there were more interview rooms than necessary for DMV business and staff size. However, this is a relatively minor issue, given the scope of the project.

The Honorable Eldon Mulder  
Alaska State Representative

- 2 -

January 5, 2001

General Services did not adequately evaluate the pricing component. The error was in the RFP design. In effect, General Services intended to, and did, award price points based solely on the total of the lease payments in the extension periods. It ignored the payments in the initial nine years. In doing so it erroneously awarded the full 35% to North Star.

We calculated the net present value of the lease payments with a discount rate of 8%. The present value of the payments to North Star was \$7.2 million. Pacific Tower Properties was the low bidder at \$5.4 million. Thus, based upon the proposal evaluation, DMV will be getting a better building, but will be paying 33% more than the lowest bidder.

We also recalculated the pricing points using this net present value data. North Star would have won even if General Services had used this approach. As General Services commonly gives the price component 50%, rather than 35%, we also recalculated the scores at this level. North Star still won. Thus, while General Services' pricing evaluation was flawed, it made no difference as to which of the five won the bid.

However, we are concerned with how General Services' approach might have adversely impacted the proposals themselves. Most readers of the RFP would likely immediately note the flaw and either elect not to participate in the proposal process or to adjust their pricing accordingly. For example, to illustrate how significant the flaw is, assume that a proposer elected to take advantage of the flaw by charging an extraordinarily high price and still receive the full 35% in price points. This proposer would simply list monthly payments of \$1,000,000 for the initial nine years and \$1 per month in the extension periods. As General Services only scored the extension periods, this proposer would receive the full 35% in price points and all the other proposers would likely receive zero. Our concern is that some of the proposers may have elected to take advantage of this flaw by raising the prices of the unscored first nine years. The fact that the proposals were approximately twice as high as General Services had estimated supports this concern. *who?*

We have discussed the pricing flaw with General Services and were told future RFPs would include present value evaluations of the pricing component. However, as these DMV proposals may well be substantially higher because of the flaw, General Services should consider amending and reissuing the RFP with more appropriate price evaluation criteria. It has the authority to do so under AS 36.30.350 and 2 AAC 12.295. *?*

However, General Services is unwilling to do so, because of a potential liability to the apparent winning proposer and because of an immediate need for DMV to relocate. The relocation is necessary because its present access street (Dowling Road) will become part of a three-year construction project beginning in May 2001. *Nat Good Error*

If the legislature believes that the RFP should be reissued, it will need to take action immediately to try to prevent the issuance of a contract and the accumulation of associated costs by the apparent winner.

We believe we have addressed the key issues. A formal audit is not necessary.

**Subject: Another comment on DMV's lease**

**Date: Sun, 07 Jan 2001 11:15:17 -0900**

**From: Dane Larsen <Dane\_Larsen@legis.state.ak.us> Anchorage**

**To: Vern O Jones <vern\_jones@admin.state.ak.us>,  
Tanci M Gentz <tanci\_gentz@admin.state.ak.us>,  
Loretta M Delk <loretta\_delk@admin.state.ak.us>**

**CC: Pat Davidson <Pat\_Davidson@legis.state.ak.us>**

In addition to the Net Present Value concern, I see that the evaluations were not summarized in accordance with the RFP.

The RFP calls for a full 35 points to be awarded for price, up to 25 points for Function, up to 10 points for Appearance and Indoor Environment, up to 20 points for Public Convenience, and a full 10 for AK Bidders and zero for all others. The total possible points is clearly 100. The winner would likely have less than 100, because its Function, Appearance, and/or Convenience scores would likely be less than the maximum or it might not be an AK Bidder. This structure has clearly told proposers that pricing is very important. In fact, it has told the proposers that the price component is 35% or higher of the total needed to win.


However, in the DMV evaluation process, this price component was understated by overweighing the Function, Appearance, and Convenience scores. Rather than averaging the five evaluator's scorings together for a possible total of 55 points, as indicated in the RFP, the scores were simply added together. In effect, Function, Appearance, and Convenience became 5 times more important than indicated in the RFP.

As we discussed on Friday, these bids may be higher than necessary because of the flawed pricing approach. This concern is supported by the fact that the proposals were twice the estimated cost.

Nevertheless, the overweighing of Function, Appearance, and Convenience would make no difference if you accept these possibly inflated pricing proposals. That is, given these bids, North Star would have won even if the proposals had been evaluated in a manner consistent with the RFP. See attached spreadsheet.

I will be back in the office on January 29th, if you would like to discuss it further.

Dane

 score_summary.xls	<b>Name:</b> score summary.xls <b>Type:</b> Excel File (application/msexcel) <b>Encoding:</b> base64
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*out of state*

	<u>Blomfield</u>	<u>Boniface</u>	<u>Hickel</u>	<u>North Star</u>	<u>WD Corp</u>
Net Present Value	12,435,282	5,362,827	7,367,523	7,252,998	6,185,446
less 5%, if AK Bidder	-621,764	0	-368,376	-362,650	-309,272
AK Preference Price	<u>11,813,523</u>	<u>5,362,827</u>	<u>6,999,147</u>	<u>6,890,348</u>	<u>5,876,173</u>

Price Points	<u>15.9</u>	<u>35.0</u>	<u>26.8</u>	<u>27.2</u>	<u>31.9</u>
--------------	-------------	-------------	-------------	-------------	-------------

Function, Appearance, Public Convenience Points:					
Evaluator 1	25	10	22	41	17
Evaluator 2	36	15	24	40	20
Evaluator 3	24	20	25	34	18
Evaluator 4	20	11	20	44	16
Evaluator 5	28	15	25	42	20
Total of Evaluators	<u>133</u>	<u>71</u>	<u>116</u>	<u>201</u>	<u>91</u>
Average of Evaluators	<u>26.6</u>	<u>14.2</u>	<u>23.2</u>	<u>40.2</u>	<u>18.2</u>

Alaska Bidder as determined by General Services	<u>10.0</u>	<u>0.0</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>
-------------------------------------------------	-------------	------------	-------------	-------------	-------------

Total	<u>52.488</u>	<u>49.200</u>	<u>60.017</u>	<u>77.441</u>	<u>60.142</u>
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	<u>41.7</u>	<u>31.2</u>	<u>38.5</u>	<u>55.6</u>	<u>34.5</u>
<i>w/35 =</i>	<u>43.6</u>	<u>31.2</u>	<u>40.2</u>	<u>57.2</u>	<u>32.5</u>
	<u>630,320</u>				



# STATE OF ALASKA

Division of General Services  
550 West 7<sup>th</sup> Avenue, Suite 601  
Anchorage, AK 99501

## REQUEST FOR PROPOSAL (RFP) #1999-0200-1435

**THE STATE OF ALASKA IS SOLICITING OFFERS FOR:**

**LEASE OF APPROXIMATELY 15,000 – 16,000 SQ. FT. OF NET USABLE OFFICE AND PUBLIC SERVICE SPACE AND APPROXIMATELY 2,800 SQ. FT. OF NET USABLE WAREHOUSE SPACE, LOCATED IN ANCHORAGE FOR THE DIVISION OF MOTOR VEHICLES.**

**RFP ISSUE DATE:** September 15, 2000

**RFP CLOSING DATE & TIME:** October 20, 2000, 3:00 P.M.

**LOCATION:** 550 WEST SEVENTH AVENUE, SUITE 601,  
ANCHORAGE, ALASKA 99501

**OFFERS RECEIVED AFTER THE DATE AND TIME STATED ABOVE WILL NOT BE CONSIDERED.**

**ALL QUESTIONS AND CORRESPONDENCE REGARDING THIS REQUEST FOR PROPOSAL SHOULD BE DIRECTED TO LORETTA DELK, C.P.M., CONTRACTING OFFICER.**

TELEPHONE

269-0301



FAX

269-0308



TDD

269-0312



# TABLE OF CONTENTS

SIGNATURE PAGE .....	4
CONFERENCE AND NOTICES .....	4
<b>SECTION 1 LEASE PROVISIONS</b>	
1 Date of Occupancy .....	5
3 Lease Termination Date .....	5
4 Initial Term of Lease .....	5
5 Renewal .....	5
6 Hours of Operation .....	6
10 Lease Payments .....	6
16 Adjustments .....	6
17 Accessibility .....	7
18 Renovation .....	8
36 State's Responsibilities .....	11
38 Insurance Requirements .....	12
42 Janitorial Services .....	13
<b>SECTION 2 BUILDING REQUIREMENTS</b>	
2 Location .....	16
3 Type of Building .....	16
4 Window Covering .....	16
5 Floor Covering .....	16
6 Floor Load .....	16
7 Acoustical Requirements .....	17
8 Partitions .....	17
9 Painting .....	17
10 Door Hardware .....	17
11 Natural Light .....	17
12 Elevators .....	17
13 Signs .....	17

<b>14 Casework</b> .....	<b>18</b>
<b>15 Drinking Water</b> .....	<b>18</b>
<b>16 Public Restrooms</b> .....	<b>18</b>
<b>17 Electrical Requirements</b> .....	<b>19</b>
17.1 Power Distribution.....	19
17.2 Lighting.....	19
<b>18 Television Cable</b> .....	<b>22</b>
<b>19 WEB CAM</b> .....	<b>22</b>
<b>20 Security System</b> .....	<b>22</b>
<b>21 Voice and Data Cabling</b> .....	<b>23</b>
<b>22 Mechanical</b> .....	<b>28</b>
<b>23 On Site Parking</b> .....	<b>31</b>
<b>24 Bus Stop</b> .....	<b>31</b>
<b>25 Motorcycle and Parallel Parking Test Area</b> .....	<b>32</b>
<b>28 Configuration</b> .....	<b>32</b>

**SECTION 3 PROPOSAL TERMS AND AWARD PROVISIONS**

<b>2 Definition of Offeror</b> .....	<b>42</b>
<b>5 Submitting Offers</b> .....	<b>43</b>
<b>11 Firm Offer</b> .....	<b>44</b>
<b>18 Method of Award</b> .....	<b>45</b>
<b>21 Delivery and Conditions of Premises</b> .....	<b>46</b>
<b>24 Notice to Offeror</b> .....	<b>47</b>
<b>26 Evaluation Factors</b> .....	<b>49</b>
<b>Additional Offeror Information</b> .....	<b>50</b>
<b>Additional Price Information</b> .....	<b>51</b>
<b>Price Offer Page</b> .....	<b>52</b>
<b>Attachment A</b> .....	<b>53</b>

## RFP OFFEROR CONFERENCE

A conference will be held on SEPTEMBER 22, 2000 AT 9:00 AM AT 550 WEST SEVENTH AVENUE, SUITE 602, ANCHORAGE, AK. The purpose of this conference will be to read through portions of this Request For Proposals (RFP) and provide a forum for questions.


The space obtained through this RFP will provide the main customer service facility for the Division of Motor Vehicles in Anchorage. The layout of the space, ease of access, visibility of the facility & available parking area will affect the quality of service. It is important that all prospective offerors attend this conference.

## PROPOSERS WITH DISABILITIES

The State of Alaska complies with Title II of the Americans with Disabilities Act of 1990. Individuals with disabilities who may need auxiliary aids, services, and/or special modifications to participate in this procurement should contact the Division of General Services at one of the numbers listed on the front page no later than September 20, 2000, to make any necessary arrangements.

## SIGNATURE PAGE

This Request For Proposal has been released for publication by the Contracting Officer whose signature appears below. The Contracting Officer is an agent of the State of Alaska and is authorized to commit the State to any contract or lease which may arise from the publication of this Request For Proposal.

  
Loretta Delk, C.P.M., Contracting Officer

By signature on this page the Offeror certifies that it is complying with all terms and conditions set out in this Request For Proposal.

COMPANY SUBMITTING OFFER: \_\_\_\_\_

AUTHORIZED SIGNATURE: \_\_\_\_\_

PRINTED NAME: \_\_\_\_\_

DATE: \_\_\_\_\_ PHONE #: \_\_\_\_\_ FAX #: \_\_\_\_\_

ALASKA BUSINESS LICENSE #: \_\_\_\_\_

TAX ID #: \_\_\_\_\_

After completion of occupancy, a lease will be prepared by the State which incorporates the provisions of this Request For Proposal, and which particularly sets forth the details of the award as follows such as: Base Monthly Rental Rate; approximate usable square footage; the legal description of the property; addresses for rental payments; addresses for providing notice to each party to the lease; and other such details as will be known only after the Request For Proposal has been awarded.

## SECTION 1 - LEASE PROVISIONS

- 1 DATE OF OCCUPANCY: OCCUPANCY IS REQUIRED PRIOR TO APRIL 10, 2001. An earlier occupancy date is desired.
  - 1.1 The State will pay the Lessor a one-time payment equal to one half (1/2) of the "Base Monthly Rental Rate" if occupancy is achieved prior to April 1, 2001. The "Base Monthly Rental Rate" for the purposes of the Request for Proposals and the lease is the "MONTHLY PRICE" entered by the Offeror on the PRICE OFFER page of this Request for Proposals.
  - 1.2 The State will pay the Lessor a one-time payment equal to the "Base Monthly Rental Rate" if occupancy is achieved prior to March 1, 2001. The "Base Monthly Rental Rate" for the purposes of the Request for Proposals and the lease is the "MONTHLY PRICE" entered by the Offeror on the PRICE OFFER page of this Request for Proposals.
  - 1.3 Compliance to all parts of this Request For Proposal will be required prior to occupancy along with receipt of a Certificate of Occupancy from an appropriate building official and receipt of the Facility Audit Report specified in the paragraph headed "Accessibility" in this section.
- 2 ACTUAL LEASE COMMENCEMENT DATE: (To be filled in once known.)
- 3 LEASE TERMINATION DATE: April 30, 2016.
- 4 INITIAL TERM OF LEASE: Approximately fifteen (15) years.
- 5 RENEWAL: The State shall have the sole option to renew the lease for three (3) additional two (2) year periods. The renewal option shall be exercised solely by the State giving the Lessor written notice prior to the expiration of the initial term.

- 6 HOURS OF OPERATION: The State reserves the right to establish and maintain it's own hours of operation during the life of the lease and any renewals. Generally, State offices are open to the public from 8 am to 5 p.m., Monday through Friday. The State reserves the right to change those hours to accommodate public and special demands.
- 7 LEGAL DESCRIPTION OF PROPERTY: Legal description for recordation purposes. (To be filled in once known)
- 8 DESCRIPTION OF LEASE SPACE WITHIN BUILDING: Footages and locations within building. (To be filled in once known) .
- 9 BASE MONTHLY RENTAL RATE: The BASE MONTHLY RENTAL RATE is the "MONTHLY PRICE" entered by the Offeror on the PRICE OFFER page of the Request for Proposals. (To be filled in once known.)
- 10 LEASE PAYMENTS: The Lease payments shall be payable on the first day of each and every month of the lease term at the office of the Lessor whose payment address is: (To be filled in once known.) Payment for any partial months occupancy shall be pro-rated, based on a thirty (30) day month.
- 11 ADDRESS FOR NOTICES TO THE LESSOR: (To be filled in once known)
- 12 ADDRESS FOR NOTICES TO THE LESSEE: State of Alaska  
Division of General Services  
550 West Seventh Ave., Suite 601  
Anchorage, AK 99501
- 13 LEASE IS A RESULT OF REQUEST FOR PROPOSAL: This lease is a result of State of Alaska Request For Proposal #1999-0200-1435. All parts, terms, and conditions of the Request For Proposal are hereby made a part of this lease and are binding upon the Lessor and Lessee and their respective agents and assigns. The State will prepare the lease documents.
- 14 THIS LEASE IS RECORDABLE: The Lessor and Lessee agree to provide such signatures and documentation as will be necessary to record this lease as an encumbrance against the real property on which the lease space is situated.
- 15 COSTS: Unless otherwise provided, all requirements of this lease shall be furnished within the rent price, and at no additional cost to the State.
- 16 ADJUSTMENTS: The "Base Monthly Rental Rate" must remain firm through April 30,2003. The "Base Monthly Rental Rate" for the purposes of the Request for and the lease is the "MONTHLY PRICE" entered by the Offeror on the PRICE OFFER page of this Request for Proposals. The "Base Monthly Rental Rate" may be annually adjusted, beginning on May 1, 2003, if requested in writing by the Lessor at least thirty days prior to the effective date of the adjustment.
- 16.1 RETROACTIVE adjustments will not be allowed.

- 16.2 The adjustment will be made in accordance with the percentage change in the U.S. Department of Labor Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), All Items, Anchorage, semiannual 1st half index. The purpose of such adjustment is to compensate the Lessor for any and all changes in the operating costs of the building, which costs are agreed to in this lease to be thirty-five percent (35%) of the "Base Monthly Rental Rate".
- 16.3 The percentage difference between the CPI-W Anchorage semiannual 1st half index for 2001 and the CPI-W Anchorage semiannual 1st half index for 2002 will determine the maximum allowable adjustment beginning on June 1, 2003. Each year thereafter the difference between the CPI-W Anchorage semiannual 1st half index for 2001 and the 1st half index thereafter will determine the maximum allowable adjustment.
- 16.4 The formula is expressed as:  $[(35\% \times \text{Base Monthly Rental Rate}) \times \% \text{ change in CPI}] + \text{Base Monthly Rental Rate} = \text{Adjusted Current Monthly Rental Rate}$ .

Example: Base Monthly Rental Rate = \$1,000.00;  
Operating Cost Adjustment Factor = 35%;  
Change in CPI = 10%.

The adjusted lease cost would be computed as follows:

$[(35\% \times \$1,000.00) \times 10\%] + \$1,000.00 = \text{Adjusted Current Monthly Rental Rate}$

$[(\$350) \times 10\%] + \$1,000.00 = \text{Adjusted Current Monthly Rental Rate}$   
 $[\$35] + \$1,000.00 = \$1035.00 \text{ (Adjusted Current Monthly Rental Rate)}$

If the United States Department of Labor, Bureau of Labor Statistics at any time during the term of this Lease ceases to publish the Consumer Price Index for Urban Wage Earners and Clerical Workers for All Items for Anchorage, Alaska, then the Consumer Price Index for Urban Wage Earners and Clerical Workers for All Items, U.S. City Average, for the month of November shall be used.

- 16.5 If the Index is changed so that the base year differs from that used as of June 1, 2004, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of the lease, such other governmental index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

- 17 ACCESSIBILITY: The Lessor certifies that the design and construction of the offered space and any subsequent alterations of the offered space shall meet the specifications of the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities (ADAAG, Appendix A to 28 CFR part 36) as published in the Federal Register, Vol. 56, No. 144, Friday, July 26, 1991, Rules and Regulations (hereafter referred to as ADA compliance) on the date of occupancy and throughout the entire occupancy of the Lessee.

- 17.1 The Americans with Disabilities Act of 1990 (42 U.S.C. 12101) defines the State of Alaska as a "public entity" subject to Title II of the ADA. The Lessor must provide space that meets ADA compliance as it applies to a public entity. In providing space that meets the Title II requirements, the Lessor does not have and will not attain the right to direct how, when or where program services are delivered. The Lessor must provide space that meets the same level of ADA compliance that would be required as if the offered space were in a newly constructed, State-owned facility from which all program services are directly delivered to the public.
  - 17.2 ADA compliance under Title II is more stringent than the compliance requirements for commercial space. When providing space to the Lessee under ADA compliance requirements, the Lessor must be aware of the following additional requirements.
  - 17.3 Exception 1 to Section 4.1.3 [page 7] of ADAAG is not applicable to facilities offered for lease to the State of Alaska.
  - 17.4 Exception (i) to Section 4.1.6(1)(k) of ADAAG is not applicable to facilities offered for lease to the State of Alaska.
  - 17.5 Section 4.1.6(2) of ADAAG is not applicable to facilities offered for lease to the State of Alaska.
  - 17.6 Prior to occupancy by the Lessee, the Lessor must furnish an ADA Facility Audit Report from an architect registered to practice in the State of Alaska. The report must be prepared after the completion of any new construction or any alteration of the existing space undertaken to respond to the Request For Proposal. The ADA Facility Audit Report must indicate that the offered space complies with all the requirements of ADAAG and the "ACCESSIBILITY" paragraphs of this Request for Proposal.
  - 17.7 The Lessee's inspection and acceptance of the Lessor's space and alterations does not relieve the Lessor of responsibility for ADA compliance. The Lessor further agrees to pay the cost of any corrections which may be needed during the period of the Lessee's occupancy for purposes of correcting deficiencies to meet the above prescribed ADA compliance.
  - 17.8 In the event the Lessor fails to correct deficiencies within a period of thirty (30) days from receipt of written notification, the Lessee will have the right to terminate the lease; or, the Lessee will have the option of correcting deficiencies by hiring competent workers, with the Lessor bearing the cost of all labor and materials. The Lessee will have the right to deduct all of the costs incurred, including administrative costs, from the lease payment. The Lessor further agrees that deficiency corrections performed by the Lessee will not be construed to constitute a breach of this lease.
- 18 RENOVATION: At least every five (5) years of occupancy, the Lessor SHALL renovate all of the space covered under the lease by refinishing or replacing all damaged or worn wall, ceiling, floor covering, window covering and built-in building fixtures, at no cost to the State. Upgrades such as hard surface flooring in the major traffic routes and a more durable wall finish such as multi colored spray coating should be considered by the offeror in the PUBLIC

SERVICE AREA. Due to extra heavy traffic in the PUBLIC SERVICE AREA, the Lessor may be required to provide an increased schedule of carpet maintenance and carpet replacement and repainting earlier than the five (5) year schedule for the Public Service Area. If the Lessor does not respond to a reasonable renovation request by the State, the State reserves the right to hire competent workers to accomplish such renovation(s) at the Lessor's expense.

- 19 AS-BUILT DRAWINGS: The Lessor shall provide "As-Built" drawings to reflect the leased area at time of occupancy, including all improvements and the location of all computer cabling. Drawings to be "to scale" with usable square footage at 1/8" scale. If the Lessor fails to provide the "As-Built" drawings within 30 calendar days from date of occupancy, the State shall have the right to cause the "As-Built" drawings to be made by an Alaska licensed and registered Architect or Engineer and to deduct the costs incurred, including administrative costs, from the lease payments.
- 20 STATE INSTALLED FIXTURES: All fixtures and equipment of whatsoever nature which shall have been installed in the premises by the State, whether permanently affixed thereto or otherwise, shall continue to be the property of the State and may be removed by the State at any time, provided however, the State shall, at its own expense, repair any injury to the premises resulting from such removal.
- 21 RESTORATION LIABILITIES: The State is not liable for restoration of improvements required to meet the Lease requirements. Alterations or additions made after occupancy shall be made only with the approval of the Lessor, however said approval shall not be unreasonably withheld. Consent to proposed alterations or additions being made by qualified contractors or workers skilled in the trades, shall be considered as acceptance of the revised building improvements. The State shall not be liable for restoration of the building to its condition at date of occupancy.
- 22 FIRE PREVENTION: The Lessor shall maintain the building and space occupied in keeping with good fire prevention practices. The State reserves the right at reasonable times to enter and make fire prevention and fire protection inspections of the building and space occupied. If any fire hazard is detected through inspection of the building and space occupied, it shall be promptly corrected by the Lessor.
- 23 ACCIDENT HAZARD: The Lessor shall maintain the building and space occupied free of hazards relative to any and all applicable Federal, State, and Local laws, regulations, ordinances, health and safety codes, and any and all laws pertaining to tenantability. If any hazards are detected through inspections of the building and space occupied, they shall be promptly corrected by the Lessor.
- 24 INTERRUPTION OF UTILITIES AND SERVICES: In the event that, in the reasonable judgment of the State the lawful enjoyment of the leased space is threatened by the interruption or severance of utilities and services provided hereunder by the Lessor, and when such interruption or severance is due to deliberate, or negligent, or tacitly negligent act of the Lessor, the State shall have the right to bind such utilities and services as are threatened, in the name of the State. The State shall be free to deduct from the lease payments the costs of

such utilities and services, together with all necessary deposits and the State's actual administrative costs necessary to procure the utilities and services.

- 25 MAINTENANCE AND REPAIR: The Lessor shall maintain the building and space occupied in good repair and tenantable condition and free of structural or mechanical hazards. The term "repair" includes repairs of any type including but not limited to exterior and interior, structural and nonstructural, routine or periodic, except as in case of damage arising from the negligence of the State's agents or employees. The Lessor agrees that after reasonable notice in writing, but in no event more than sixty (60) days, by the State to the effect that the repair, maintenance, or service obligations as specified in the Lease for said premises have not been satisfactorily fulfilled, the State can then obtain competent workers to correct the deficiencies. The State shall have the right to offset the sum it expends in performing such work against the next installment(s) of rent coming due under this Lease.
- 26 CASUALTY DAMAGE: Lessor is responsible for the accomplishment and cost of any building alterations which may be required to correct any casualty damage. If said facilities or any part thereof are rendered untenable, a proportionate part of the rent, according to the extent of such untenability, will be abated and suspended until said premises are again made tenantable and restored to their former condition. Lessor, at its cost, shall be responsible for making any repairs necessary to correct casualty damage. If said premises are made tenantable again within thirty (30) calendar days, the Lessee will return to the facility. In the event Lessor fails to correct casualty damage within thirty (30) calendar days then Lessee will have the right to (1) terminate the Lease or (2) hire competent workers to correct such damage. Lessee shall have the right to offset the sum it expends in performing such work against the next installment(s) of rent coming due under this Lease. If said premises or any part thereof are rendered untenable by casualty, a proportionate part of the rent, according to the extent of such untenability, will be abated and suspended until said premises are again made tenantable and restored to their former condition.
- 27 COMPLIANCE WITH LAWS: All building and site improvements shall conform to all applicable State, Federal and Local laws, ordinances, codes and regulations pertaining thereto. All building and site improvements must comply with Federal and State law relative to occupational health and safety regulations.

The Lessor will be responsible for the accomplishment and cost of any building alterations which may be required to correct violations of all applicable State, Federal, and Local laws, codes, ordinances and regulations.

- 28 TENANABILITY: Facilities provided must be tenantable and comply with all applicable State, Federal and local laws, ordinance, codes and regulations pertaining to tenantability. If said facilities or any part thereof are rendered untenable, a proportionate part of the rent, according to the extent of such untenability, will be abated and suspended until said premises are again made tenantable and restored to their former condition. Lessor, at its cost, shall be responsible for making any repairs necessary to correct any violation of Law cited by a regulatory agency. If said premises are made tenantable again within thirty (30) calendar days, the Lessee will return to the facility. In the event Lessor fails to correct violation(s) within thirty (30) calendar days then Lessee will have the right to (1) terminate the Lease or (2) hire

competent workers to correct such violation. Lessee shall have the right to offset the sum it expends in performing such work against the next installment(s) of rent coming due under this Lease.

- 29 PEACEFUL OCCUPANCY: If the State shall pay the rent as provided by the lease and shall keep, observe and perform all of the other covenants of the lease by it to be kept, performed and observed, the State shall and may peaceably and quietly have, hold, and enjoy the premises for the term of such lease.
- 30 PAYMENT DEFAULT: If the State shall at any time be in default in the payment of rent, or in the performance of any of the terms of the lease and shall fail to remedy such default within sixty (60) days after written notice thereof from the Lessor, it shall be lawful for the Lessor to enter upon the premises and repossess and enjoy the same as if the lease and everything therein contained on the part of the Lessor to be done and performed shall cease and terminate without prejudice, however, to the right of the Lessor to recover from the State all rent due up to the time of such entry. In case of any default and any entry by the Lessor, the Lessor may relet the premises for the remainder of the term for the highest rent obtainable and may recover from the State any deficiency between the amount so obtained and rent specified by the lease.
- 31 ASSIGNMENT: The lease and all the covenants, provisions and conditions of the lease will inure to the benefit of and be binding upon the successors and assigns of the Lessor. An assignment of the lease may not be made without the written consent of the Lessee.
- 32 HOLDING OVER: Any holding over after the expiration date of the lease shall be construed to be a tenancy from month-to-month at the same monthly rental and on the terms and conditions specified by the lease.
- 33 RENT SUBJECT TO LEGISLATIVE APPROPRIATION: The payments of rent by the State are subject to appropriation of funds by the Legislature of the State of Alaska and the lease issued may be terminated due to lack of such appropriations.
- 34 TIME: Time is of the essence.
- 35 LESSOR'S EMPLOYEES: The State may require fingerprints or conduct investigations of the Lessor's employees or employees of contractors and subcontractors performing work within the space occupied by the State.
- 36 STATE'S RESPONSIBILITIES: The State will: (1) Use and occupy the premises in a careful and proper manner. (2) Not use or occupy the premises for any unlawful purposes. (3) Not assign the lease nor underlet the premises or any part thereof, without the written consent of the Lessor provided, however, that such consent shall not be unreasonably withheld. (4) Not use or occupy the premises or permit the same to be occupied for any purpose or business deemed extra-hazardous on account of fire or otherwise. (5) Make no alterations or additions in or to the premises without the written consent of the Lessor, which consent shall not be unreasonably withheld. (6) Pay monthly rent as stipulated herein.

- 37 **HOLD HARMLESS**: The Lessor shall indemnify, save and hold harmless, and defend the State, its officers, agents and employees, from liability of any nature or kind, including costs and expenses for or on account of any and all suits or damages of any character whatsoever resulting from injuries or damages sustained by any person or persons or property by virtue of any act performed by the Lessor or the Lessor's agents and employees pursuant to the lease; the Lessor shall also assume all insurable risks and bear any loss or injury to property or persons occasioned by neglect or accident during the tenure of the lease, excepting only sole negligence of the State.
- 38 **INSURANCE REQUIREMENTS**: Without limiting Lessor's indemnification, Lessor shall purchase insurance at its own expense and maintain it in force at all times during the performance of services under this lease the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Lessor's policy contains higher limits, the State will be entitled to coverage to the extent of such higher limits.
- 38.1 Proof of insurance is required for worker's compensation insurance. The Lessor shall provide and maintain, for all employees of the Lessor engaged in work under this lease, Worker's Compensation Insurance as required by AS 23.30.045. The Lessor will be responsible for Worker's Compensation Insurance for any subcontractor who directly or indirectly provides services under this lease. This coverage must include statutory coverage for states in which employees are engaging in work and employer's liability protection not less than \$100,000 per person, \$100,000 per occurrence. Where applicable, coverage for all federal acts (i.e. U.S.L. & H. and Jones Acts) must also be included.
- 38.2 Proof of insurance is required for comprehensive commercial general liability insurance with coverage limits not less than \$300,000 combined single limit per occurrence and annual aggregates where generally applicable and shall include premises-operations, independent contractors, products/completed operations, broad form property damage, blanket contractual and personal injury endorsements.
- 38.3 Proof of insurance is required for comprehensive automobile liability insurance with coverage for all owned, hired and non-owned vehicles with coverage limits not less than \$100,000 per person, \$300,000 per occurrence bodily injury and \$50,000 property damage.
- 38.4 Proof of insurance is required for fire insurance, which covers the building in which the lease space is located, of a policy of standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements, in an amount equal to at least eighty percent (80%) of the full replacement value of the building or such other amount as may be necessary to avoid the application of any co-insurance provisions of such insurance policy. The insurance policy shall appear, and shall provide that any proceeds be payable solely to Lessor or Lessor's lender.
- 38.5 Lessor and the State release each other, and their respective authorized representatives, from any claims for damage to any person or to said premises and the

building and to the State's fixtures and personal property that are caused by or result from risks insured against under any insurance policies carried by the parties and in force at the time of any such damage. Lessor shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against the State in connection with any damage covered by any insurance policy. Neither party shall be liable to the other for any damage caused by fire or any of the risks insured against under any insurance policy required by this Lease.

38.6 All insurance required under this Lease shall: (1) be issued by insurance companies authorized to do business in the State of Alaska with a rating of A/X or better as rated in the most recent edition of Best's Insurance Reports; (2) be issued as a primary policy; and (3) contain an endorsement and provide a Certificate(s) of Insurance requiring thirty (30) days' prior written notice from the insurance company to the State's Contracting Officer before cancellation, nonrenewal or material change in the coverage, scope, or amount of any policy.

39 RIGHT OF ENTRY: The Lessor shall be permitted to enter upon said premises at all reasonable times to examine the conditions of same.

40 CONTROL OF NATURAL LIGHT: Any devices for controlling the natural light coming into the lease space, such as curtains, blinds, shades, and screens shall be solely under the control of the State.

41 INGRESS AND EGRESS: All space including common areas shall be available on a 24 hour day, seven (7) days a week basis. Elevator service, if required or available, must be at least on call or on automatic basis during other than regular building service hours.

42 JANITORIAL SERVICES: The Lessor shall be responsible for janitorial services as outlined below for the entire space. Due to the huge volume of customer traffic on a daily basis, the LESSOR must provide aggressive methods of preventing buildup of dirt, dust or spots and must take additional time and care in cleaning all public use areas. Services shall be performed after office hours unless otherwise specified. The premises generally are occupied Monday through Friday, except State holidays. In the event that various areas are occupied at times other than specified herein, the janitorial services shall be performed at other times as specified by the State.

43 Daily Services: Empty wastebaskets. Collect all designated waste paper and trash and dispose of it away from the building.

Pick up and deposit all recyclable papers into a State designated container, if such a container is provided.

Vacuum carpets in all part of the PUBLIC SERVICE AREA, all common areas, entryways, elevator lobbies and corridors.

Remove all foreign matter (gum, grease, etc.) from doors, walls, floors and furniture.

Mop or scrub toilet room floors, wash all plumbing fixtures with warm water and soap.

Disinfect urinals and water closets, and damp wipe all dispensers.

Provide and maintain adequate supplies of toilet paper, seat covers, deodorizers, sanitary napkins, towels and soap in toilet rooms. Supplies are to be of standard or better quality and are to be furnished by the Lessor. Lessor shall also provide a closed disposal container for waste sanitary napkins.

Clean and disinfect any drinking fountains.

Clean and maintain runners and mats.

Replace burned out lamps furnished by Lessor.

At the end of each workday, the supervisor shall inspect the entire building to ensure that all work is complete and all necessary doors are locked.

Remove snow and ice from sidewalks, entrances, roof overhangs, outside storage areas, parking areas and vehicle test areas as applicable to an extent, which will render the areas safe to pedestrian traffic and automobile operation. Snow and ice shall be removed from the main building entrances prior to the start of the State's business day. Salt, sand, or use other comparable materials shall be used at all times to provide safe traction for all vehicle and foot traffic.

43.1 Weekly Services: Vacuum ALL carpeted areas and rugs within said premises.

Dust all visible surfaces of furniture, fixtures, and equipment to a height of 6 feet.

Police sidewalks and parking areas by collecting and removing all trash and other discarded materials.

Remove all finger marks and smudges on walls, stairwells, doors, woodwork and glass surfaces.

43.2 Quarterly Services: Shampoo all carpeted floors.

43.3 Every Six Month Services: Dust or wash light fixtures as appropriate for greatest light efficiency.

Wash windows inside and out leaving no streaks or unwashed places. Wipe water spots from sills and frames. Use drop cloths as required to protect adjacent surfaces, fixtures and furniture. Wash windows at equal intervals.

Wash all wastebaskets.

Dust or vacuum window coverings.

43.4 The Lessor agrees that after reasonable notice by the Lessee to the effect that the janitorial-maintenance obligations as specified herein for lease space have not been satisfactorily fulfilled, the Lessee may then obtain competent workers to correct the necessary items, all of which will be paid for by the Lessor either by direct payment or, at the State's sole option, by the State making the payment to the workers and reducing the rent accordingly.

43.5 Recycled Products: All paper products furnished by the Lessor in the performance of janitorial services shall meet the following minimum post consumer material content:

<u>PRODUCT MINIMUM % CONTENT</u>	
Toilet Tissue	20%
Paper Towels	40%

43.6 Post consumer material refers to waste materials and by-products that have been recovered or diverted from the solid waste stream, but such term does not include those materials and by-products generated from and commonly reused within an original manufacturing process.

43.7 The Lessor shall provide for recycled paper pickup and disposal points. Services performed by the janitorial staff will include the responsibility for collection of recycled paper products from suites and distribution to collection points.

44 RIGHT TO USE: The Lessee shall have the right to use said premises for general and governmental offices, including without limitation, use by various agencies, corporations, departments, instrumentality's, and offices of the State of Alaska. Lessee shall not use said premises for any other use without the Lessor's consent, which shall not be unreasonably withheld.

45 DISPUTES: Any dispute arising out of the lease shall be resolved under the laws of Alaska. Any appeal of an administrative order and any original action to enforce any provision of this lease or to obtain any relief from or remedy in connection with this lease may be brought only in the Superior Court for the Third Judicial District of Alaska.

**END OF SECTION 1.**

## SECTION 2 - BUILDING REQUIREMENTS

- 1 **COSTS:** Unless otherwise provided, all requirements of the Request For Proposal shall be furnished within the rent price offered, and at no additional cost to the State.
- 2 **LOCATION:** In a highly visible, easily accessed, easily found location in an area adjacent to or bounded by Tudor Road on the South; Boniface Parkway on the East; Minnesota Drive on the West and the Glenn Highway/5<sup>th</sup> Avenue from Boniface Parkway to Gambell Street and then 15<sup>th</sup> Avenue from Gambell Street to Minnesota on the North.
- 3 **TYPE OF BUILDING:** The space offered shall be in a building of sound and substantial construction. The building and the area in which it is located shall be clean and free from objectionable odors, vermin, rodents, or other conditions which, in the opinion of the State, will be detrimental to agency operation.
- 4 **WINDOW COVERING:** All outside windows shall be equipped with drapes, blinds, or other State approved material and shall be installed, ready for use with all necessary hardware. Window covering shall be of good quality and appearance matching the decor of the space and shall adequately reduce incoming heat and light to a comfortable level. All interior relites shall be equipped with 1" blinds.
- 5 **FLOOR COVERING:** All floors shall be covered with carpet except for the floors in the break room, coffee areas, locker rooms, public and employee restrooms and microfilm rooms, which shall be resilient flooring or ceramic tile.
  - 5.1 Carpet shall be new, commercial loop rated for heavy traffic. Carpet shall have built-in static control (less than 3.5 KV) and shall be non-allergenic. Carpet shall be constructed of 100% branded type 6, 6 nylon with a minimum face weight of 28 ounces and a minimum density of 6,000. Provide a minimum 10 gauge, multilevel patterned loop in high traffic areas.
  - 5.2 Resilient flooring shall be new, commercial quality. Sheet vinyl shall be inlaid sheet flooring with heat welded seams. VCT shall be through pattern construction containing recycled vinyl.
  - 5.3 Colors shall be chosen by the State for all floor covering. Offeror shall provide a minimum of three (3) color choices for each floor.
  - 5.4 Grating, runners, rubber finger mats or other aggressive methods must be taken at the front entrance to the building and the State's leased space to minimize tracking dirt, snow or ice into the space.
- 6 **FLOOR LOAD:** All floors shall be capable of supporting loads of 125 lbs. per square foot, unless analysis by a registered engineer determines that the existing floor system can support the proposed layout with actual weights, in the following rooms and areas: File Area – Drivers' Improvement Section, Microfilm File Area – Research Section, File Area – Accounting Section, Cash Drawer/Safe Room – Accounting Section and Secured Central Supply.

- 7 **ACOUSTICAL REQUIREMENTS:** Offices and similar space shall be furnished with acoustic ceiling tiles, panels or other sound absorption material. A Preferred Noise Criteria (PNC) level of 30 to 45 shall be provided. Acoustical control must be sufficient to permit conferences, waiting room noise, and office work to progress simultaneously. Continuous heat convectors shall be plugged where intersected by walls. It is the offeror's responsibility to furnish the proper combination of sound absorptive material on ceilings, walls, and floors to achieve the specified preferred noise criteria level. Loud street traffic or air traffic noises within the leased space will not be allowed. A minimum LEQ of 45 must be provided.
- 8 **PARTITIONS:** Unless otherwise specified, all partitions shall be floor to ceiling, flush type and shall be drywall construction with a smooth finish. The finish shall be paint or other State approved material.
- 9 **PAINTING:** All surfaces which normally would be painted shall be finished with a minimum of two coats of interior latex paint on walls and suitable semi-gloss enamel on woodwork and bare metal. Colors shall be selected by the State.
- 10 **DOOR HARDWARE:** All doors shall be equipped complete with all necessary hardware. Deadbolt locks and door checks shall be furnished and installed on all doors which open into public corridors or space otherwise accessible to other than those to be employed in the leased space. Locks on all entry doors, private office doors and other secure space doors shall be master keyed and duplicate individual keys shall be supplied, at the sole cost of the offeror, as required for initial occupancy. Duplicate keys must also be provided for all outside doors, elevators, etc., at the sole cost of the offeror.
- 11 **NATURAL LIGHT:** The space offered for lease shall have direct natural light through windows, not skylights, in offices and areas designated as workstation/office space areas.
- 11.1 A minimum of 10% of window area relative to the overall office, work station, and circulation floor space areas is required. The State understands that an outside window may not be available in each office and workstation area. When preparing the final floor plans, the minimum of 10% window area must be achieved overall. (Example: 2 private offices @ 140 sq. ft. each plus a work station floor space of 200 sq. ft. plus 100 sq. ft. of circulation floor space equals 580 sq. ft. overall floor space for office, workstation, and circulation areas. A minimum of 10% or 58 sq. ft. of window area is required.)
- 11.2 All private offices that do not have a window shall have a relite, approx. 24"W x 36"H, with framing of the same material as the door frames.
- 12 **ELEVATORS:** Space offered on the second floor and above must be served by an elevator meeting codes as endorsed by the State and the Municipality of Anchorage. Elevators must be available to the public during DMV business hours and must be at least on call or on automatic basis for DMV employees during other than DMV business hours.
- 13 **SIGNS:** The Lessor shall provide and erect/affix, at no additional cost to the State, signage to identify the presence of the Division of Motor Vehicles and to easily direct the public to the State's space as further defined below:

- 13.1 A large sign(s) shall be provided and erected/affixed, at no additional cost to the State, to the outside of the building or on a marquee. This must be a lighted sign either self-lit from within or a spotlight or other outside light source.
  - 13.2 Signs shall be provided and erected/affixed, at no additional cost to the State, in all building entrances, public or common lobbies, hallways and elevators.
  - 13.3 Signs shall be provided and erected/affixed, at no additional cost to the State, on all doors or walls at entrances to the State's leased spaces.
  - 13.4 Effective directional and informational signage is critical to the efficient processing of customers for the Division of Motor Vehicles. Effective informational and directional signage shall be designed, provided and erected/affixed, at no additional cost the State, in the Public Service Area.
  - 13.5 Any changes in State's occupancy over the life of the lease shall be reflected by changes in all signs, at no cost to the State.
  - 13.6 The State reserves the right to affix door or wall signs, at the State's cost, within its leased space to further identify room names and/or numbers. The size and character of the signs shall be at the State's discretion and shall not unreasonably detract from the aesthetics of the building.
- 14 CASEWORK: The Lessor shall provide and install all casework, at no additional cost to the State.
- 14.1 All casework shall be of commercial grade high pressure laminate construction. All exposed surfaces shall be laminated with high pressure laminate, all semi exposed surfaces shall be overlaid with low pressure melamine laminate. All exposed edges shall be covered with matching PVC edgeranding or high-pressure laminate. Countertops and backsplashes shall be high pressure laminate.
  - 14.2 All cabinets and casework shall be manufactured to the standard of the Architectural Woodwork institute. All laminates shall comply with NEMA standards. Hardware shall be adequate for heavy use commercial. Drawer slides shall be of a minimum load rating of 75#. Hinges shall be adjustable all steel construction, fully concealed and self-closing. Wall standards and brackets shall be heavy weight "Knappe and Vogt #87 standards with #187 brackets, or equal to be determined by the State. Provide adequate blocking to support heavy loads for wall cabinets and shelves.
  - 14.3 All colors shall be determined by the State.
- 15 DRINKING WATER: Drinking water shall be provided at public drinking fountains at a central location on each floor.
- 16 PUBLIC RESTROOMS: Separate facilities for men and women shall be provided on each floor in compliance with all applicable codes, including ADA, and the State's safety regulations. Public restrooms shall be provided to support a public occupant load of 200.

Each toilet room shall have a privacy arrangement; hot and cold running water; mirrors; soap, sanitary tissue seat cover and paper towel dispensers; sanitary napkin dispensers and disposals in the women's restrooms; deodorizers and appropriate ventilation. A baby changing station shall be provided in the restrooms or a separate baby changing room shall be provided near the public restrooms on each floor for diaper changing, in accordance with any State or Municipal codes.

17 ELECTRICAL REQUIREMENTS:

17.1 Power Distribution: The power distribution system serving the leased space shall include distribution equipment to provide 120 volt single phase and 208 volt or 240 volt single phase power as required by installed equipment. If 480 volt power is available, 277 volt light fixtures shall be provided where feasible. For new motors, voltages shall be coordinated with mechanical requirements to take best advantage of the available voltages. Branch circuits, connections and devices shall be provided for all electrical equipment described in this and other paragraphs, as required for complete electrical systems, and as required for control, monitoring, alarm signaling and operation of any electrical devices and equipment installed by other trades or by the offeror.

For receptacle loads, branch circuit, panelboard, and feeder loads shall be less than 50% of the associated circuit breaker rating. Loads shall be calculated in accordance with the NEC. Provide new equipment as necessary to meet the required capacity. All panelboards shall have a minimum of 25% space for future addition of circuit breakers.

Power loads in office areas will be predominately computers and other electronic equipment. All outlets in office areas shall be served from branch circuit panelboards and stepdown transformers with 200% neutrals, rated for nonlinear loads. Branch circuits in these areas shall have individual neutral conductors. Panelboards serving these areas shall be equipped with transient voltage surge suppressors on the incoming feeders, and shall not serve motor or lighting loads. Surge suppressors shall be rated for ANSI/IEEE C62.41-1991 Category A and Category B locations. All power wiring shall be in enclosed in metal conduit or raceways.

17.2 Lighting: The lessor shall provide lighting fixtures to illuminate all accessible interior spaces, with switching appropriate for location and usage, and as specified elsewhere in this document. Provide fixtures that are required to meet specified illumination levels. Area lighting fixtures shall be located to provide uniform illumination in lighted space and shall not exceed manufacturer's recommended spacing-to-mounting height ratio. Provide lenses, parabolic louvers, or translucent egg crates for glare control on all fixtures. Bare lamp fixtures shall not be acceptable. Fluorescent tubes shall meet the following criteria:

17.2.1 Four-foot T8 tubes: Minimum 80 CRI, 2900 initial lumen output, 4100° K approximate color temperature.

17.2.2 Four-foot T12 tubes: Minimum 80 CRI, 3400 initial lumens for 40 watt lamps or 2900 initial lumens for 34 watt lamps, 4100° K approximate color temperature.