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April 4, 2017

The Honorable John Coghill
Majority Leader
Alaska State Senate
Capitol Building, Suite 119
Juneau, Alaska 99801

RE: Senate Bill 86, "An Act relating to the sale, other disposal, leasing and encumbrance of Alaska Railroad Corporation land".

Dear Senator Coghill:

I encourage legislators to support SB 86 as a tool for economic development during what looks to be tough economic times for our state.

Our corporation has been involved in real estate development in Alaska for quite some time. We see great potential in this legislation for us to work with the Alaska Railroad, as development opportunities arise, to move quickly to take advantage of those opportunities.

The benefits of SB 86 go beyond just our company and the railroad. Private companies and individuals purchasing Alaska Railroad land will encourage economic growth and development, while at the same time putting the properties on the tax rolls to increase payments to local governments.

Additionally, SB 86 will bring the Alaska Railroad Corporation into alignment with other state entities that we have worked with in the past such as the Department of Transportation and Public Facilities to be able to sell land without legislative approval.

Sincerely,

Best Regards,

Curtis J. McQueen
Chief Executive Officer



1016 W Sixth Ave., Suite 303

Anchorage, AK 99501

April 7, 2017

The Honorable John Coghill
Majority Leader
Alaska State Senate
Capitol Building, Suite 119
Juneau, Alaska 99801

Dear Senator Coghill:

I am reaching out regarding Senate Bill 86, "An Act relating to the sale, other disposal, leasing and encumbrance of Alaska Railroad Corporation land."

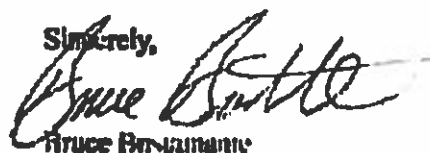
The Anchorage Chamber of Commerce supports Senate Bill 86 as an effort to encourage more real estate development on Alaska Railroad land within Anchorage and throughout the entire railbelt.

Anchorage has a shortage of usable land, particularly land zoned for industrial uses. Freeing up land in a timely manner, without the delays that can occur in the legislature, would encourage those looking to bring a business into Anchorage or grow their business to do so by being able to own the property. This has the added advantage of increasing Anchorage's property tax rolls.

We also see this as an advantage to the Municipality of Anchorage to be able to complete land swaps or purchases from the Alaska Railroad in an expedited manner for projects beneficial to the people of Anchorage and the state as a whole.

Thank you for your support of this legislation.

Sincerely,



Bruce Brumman



Phone: 907.452.7743

gfbrae@gci.net

www.gfbr.org

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February 8, 2018

**Senator Cathy Glessel, Senate Resources Committee Chair
Senator John Coghill, Senate Resources Committee Vice-Chair
Members of Senate Resources Committee**

Re: Support for Senate Bill 86

"An Act relating to the sale other disposal, leasing, or encumbrance of Alaska Railroad Corporation land; and providing for an effective date."

Under all this land. Upon its wise utilization and widely allocated ownership depend the survival and growth of free institutions and of our civilization. The Greater Fairbanks Board of REALTORS® recognizes that the interests of this community and its residents require the highest and best use of the land and the widest distribution of land ownership. They require the creation of housing, positive economic development and the preservation of a healthful environment.

Collectively, we believe that allowing the Alaska Railroad to determine which land resources would be best in private hands would have a positive economic impact on residential development in our community. Housing development will not only create new jobs and provide desired housing options for our existing residents, but it also maintains the ability to attract new people to our community. New people moving into the community could, in turn, attract new businesses. The financial impact of residential construction would be felt by a variety of businesses including local lenders, title companies, insurance agents, cable and internet providers, building retailers and local and state government.

With over 220 REALTOR® members and the support of strong local real estate related businesses in our community, we speak with one voice. On behalf of the Greater Fairbanks Board of REALTORS® and its members, we are unified in urging you to support Senate Bill 86.

Sincerely,

**Brittnie Welsh
CEO**

Greater Fairbanks Board of REALTORS®

RESOLUTION NO. 4824

**A RESOLUTION IN SUPPORT OF SENATE BILL 86, AN ACT
RELATING TO THE SALE OR OTHER DISPOSAL, LEASING, OR
ENCUMBRANCE OF ALASKA RAILROAD CORPORATION LAND**

WHEREAS, the Alaska Legislature is considering amendment of AS 42.40.120(c) to incorporate the authorization for the Alaska Railroad (ARRC) to dispose or encumber its entire interest in land; and

WHEREAS, the ARRC will be able to react much more quickly with respect to real estate opportunities that could potentially be funded by sale or encumbrance of ARRC land; and

WHEREAS, the sale of ARRC land could increase private development and expand the local tax base; and

WHEREAS, sale of ARRC land will provide the opportunity for individuals to acquire investment and recreational property, promoting economic growth and development.

NOW, THEREFORE, BE IT RESOLVED that the Fairbanks City Council supports the passage of Senate Bill 86.

PASSED and APPROVED this 5th day of February 2018.



Jim Matherly, Mayor

AYES: PASSED and APPROVED on the CONSENT AGENDA
NAYS: None
ABSENT: None
APPROVED: February 5, 2018

ATTEST:

APPROVED AS TO FORM:



D. Danyielle Snider, CMC, City Clerk

Paul Ewers, City Attorney



**ANCHORAGE BOARD
OF REALTORS®, INC.**
The Voice for Real Estate in Anchorage

3340 Arctic Blvd., Suite 101
Anchorage, Alaska 99503
(907) 561-2338 Phone
(907) 563-8476 Fax

January 25, 2018

The Honorable John Coghill
Majority Leader
Alaska State Senate
Capitol Building, Suite 119
Juneau, Alaska 99801

Dear Senator Coghill:

RE: Senate Bill 86, "An Act relating to the sale, other disposal, leasing and encumbrance of Alaska Railroad Corporation land".


I encourage legislators to support SB 86 as a tool for economic development during what looks to be tough economic times for our state.

Our organization has a vested interest in real estate development in Alaska and we understand firsthand the benefits of future growth. We see great potential in this legislation for us to work with the Alaska Railroad, as development opportunities arise, to move quickly to take advantage of those opportunities.

The benefits of SB 86 go beyond just our organization and the railroad. Private companies and individuals purchasing Alaska Railroad land will encourage economic growth and development, while at the same time putting the properties on the tax rolls to increase payments to local governments. A five-year sunset provision will also allow enough time for a track record to be established and for the legislature to confirm that the Alaska Railroad Board of Directors is continuing to work towards the best interests of the corporation and the state.

Additionally, SB 86 will bring the Alaska Railroad Corporation into alignment with other state entities that we have worked with in the past such as the Department of Transportation and Public Facilities to be able to sell land without legislative approval.

Sincerely,

Digitally signed by
Scott Myers 
F44B2B271B47A

Scott Myers,
Associate Broker/REALTOR®
2017 President, Anchorage Board of REALTORS®

January 24, 2018

**The Honorable John Coghill
Majority Leader
Alaska State Senate
Capitol Building, Suite 119
Juneau, Alaska 99801**

Dear Senator Coghill:

RE: Senate Bill 86, "An Act relating to the sale, other disposal, leasing and encumbrance of Alaska Railroad Corporation land".

I encourage legislators to support SB 86 as a tool for economic development during what looks to be tough economic times for our state.

The CCIM chapter in Anchorage is comprised of members of CCIM which is the professional designation that demonstrates the completion of advanced coursework and extensive experience in the commercial real estate industry. Our chapter is has been involved in real estate in Alaska for quite some time. We see great potential in this legislation for us to work with the Alaska Railroad, as development opportunities arise, to move quickly to take advantage of those opportunities.

The benefits of SB 86 go beyond just our chapter and the railroad. Private companies and individuals purchasing Alaska Railroad land will encourage economic growth and development, while at the same time putting the properties on the tax rolls to increase payments to local governments. A five-year sunset provision will also allow enough time for a track record to be established and for the legislature to confirm that the Alaska Railroad Board of Directors is continuing to work towards the best interests of the corporation and the state.

Additionally, SB 86 will bring the Alaska Railroad Corporation into alignment with other state entities that we have worked with in the past such as the Department of Transportation and Public Facilities to be able to sell land without legislative approval.

Sincerely,


**Mark Fillpenko, CCIM
Certified Commercial Investment Member**



USIBELLI COAL MINE, INC.

PO Box 1000 Healy, Alaska 99743

Telephone (907) 683-2226 • Facsimile (907) 683-2253

April 5, 2017

**The Honorable Senator John Coghill
State Capitol
Juneau, Alaska 99801**

Re: Support for SB 86 Alaska Railroad Corporation Land

Dear Senator Coghill:

Usibelli Coal Mine, Inc. (UCM), located in Healy, is a fourth generation, family-owned, business and the only operational coal mine in Alaska. Emil Usibelli founded the company in 1943. His son, Joe Usibelli is the Chairman of the Board of Directors. Joe Usibelli Jr., Emil's grandson, is President of UCM.

Employee Housing

In 1950, UCM built the Usibelli Camp adjacent to its mining operations for employee housing. The following year, the company began building housing for married employees and their families. In 1953, a two-story bunkhouse was built at Usibelli Camp to house seasonal employees. Mine employees and their families lived at Usibelli Camp until 1977 when UCM leased land from the Alaska Railroad Corporation and developed the Tri-Valley subdivision.

The Federal Mine Enforcement and Safety Administration had advised UCM that families of its miners needed to be moved from the Usibelli Camp due to safety concerns of mining trucks sharing the road with residential vehicles. UCM wanted to provide an opportunity for mine personnel and their families to own homes and create a community, however, available land in the surrounding area was predominantly owned by the Alaska Railroad Corporation (ARRC). The ARRC also had employees living in Healy who desired to own their own homes, but were having great difficulty finding available building lots.

As a solution to meet the demand for residential housing and necessary facilities, the ARRC leased UCM approximately 510 acres to develop roads, utilities, and building lots. Today, the Tri-Valley Subdivision encompasses many of the amenities that make up Alaska's only coal mining town, such as the Tri-Valley Community Center, Denali Pre-School and Early Learning Center, a Baptist, Catholic, and Latter Day Saints church, the Denali Chamber of Commerce office, and is also where many residents of Healy reside. While UCM is the lessee of the land, individuals and entities sublease lots to build and own homes and buildings.

Senate Bill 86 Alaska Railroad Corporation Land

Upon passage of SB 86, UCM would be interested in exploring the purchase of the Tri-Valley Subdivision land from the ARRC and then making the lots available for purchase to those who are sub-leasing them.

Thank you for the opportunity to provide support for SB 86. Should you have any questions, please do not hesitate to contact me at (907) 982-6744, or lorali@usibelli.com.

Sincerely,

A handwritten signature in cursive script, reading "Lorali M. Simon".

Lorali M. Simon
Vice President, External Affairs



**BUILDING OWNERS & MANAGERS ASSOCIATION
FEDERATED WITH BOMA INTERNATIONAL**

January 18, 2018

**The Honorable John Coghill
Majority Leader
Alaska State Senate
Capitol Building, Suite 119
Juneau, Alaska 99801**

RE: Senate Bill 86, "An Act relating to the sale, other disposal, leasing and encumbrance of Alaska Railroad Corporation land".

Dear Senator Coghill:

As President of the Building Owners and Managers Association Anchorage (BOMA Anchorage), I encourage legislators to support SB 86 as a tool for economic development in Alaska.

With over 185 members comprised of commercial property owners, managers, brokers, contractors, architects, engineers and other professionals in the commercial real estate community, BOMA Anchorage represents over 46 million square feet of commercial space and leads the way in representing the commercial real estate industry in Alaska. We support SB 86 and see great potential in this legislation and the development opportunities that could arise.

The benefits of SB 86 go beyond just our membership and the Alaska Railroad. With a shortage of usable land in the Anchorage area, this legislation will allow the Department of Transportation and Public Facilities to sell land without costly legislative delays. A more efficient process would encourage new economic growth and development, and ultimately add to the Municipality of Anchorage tax roll. A five-year sunset provision would allow time to establish a track record, giving the Legislature the ability to confirm that the Alaska Railroad represents the best interests of the Corporation and the State of Alaska.

SB 86 offers economic opportunity for the future. BOMA Anchorage supports this legislation and encourages the Legislature to pass this Senate Bill.

Sincerely,

**Aaron P. Lautaret
President, BOMA Anchorage**

DENALI BOROUGH

P.O. Box 480 • Healy, Alaska 99743
Phone: (907) 683-1330 • Fax: (907) 683-1340
Email: dbgovt@mtaonline.net
Website: www.denaliborough.govoffice.com



Clay Walker, Mayor

April 5, 2017

Senator Cathy Giessel, Senate Resources Committee Chair
Senator John Coghill, Senate Resources Committee Vice-Chair
Members of Senate Resources Committee

Re: Senate Bill Number 86

As I am unable to provide live testimony this Friday on SB 86, please accept this written letter of support. First, I would like to thank Senator Coghill for sponsoring this bill.

In 2009, the Denali Borough Assembly via resolution, supported the 2010 legislation enabling the Alaska Railroad Corporation (ARRC) to sell land. The borough followed the drafting of a land sales policy and encouraged the ARRC to consider lands within the Healy Reserve as suitable for sale, being in the best interest of the state. To this date, as far as I know, no ARRC lands have been sold statewide.

The Healy Reserve is the largest railroad reserve in the entire state, totaling 6,226 acres. Within the reserve, the railroad leases land vital to community functions. The Healy River Airport, leased to the Alaska Department of Transportation and Public Facilities, is important for personal, recreational and commercial aviation, but is essential to public safety, as it is the primary location for life flights. Granting the ARRC Board the ability to sell land, or exchange with other state entities, will help resolve a number of layered land situations across the state, including here in Healy.

The ARRC land leased to Usibelli Coal Mine for the development of a residential subdivision forms the center of the Healy community. I am writing from railroad leased land now, as the Tri-Valley Community Center (which houses the medical clinic, fire hall, borough office, bank, and state trooper station) sits on leased land. These lands are clearly not needed, and never will be, for railroad operations.

It is time for the legislature to allow the ARRC, through its board, the ability to dispose of lands without legislative approval. State agencies will have more options and Alaskan residents will have a brighter future, with increased opportunities for private land ownership. Private land ownership is fundamental to community growth, state growth, and economic expansion.

Thank you for this opportunity to provide comment on Senate Bill 86.

Sincerely,

A handwritten signature in black ink that reads "Clay Walker".

Clay Walker, Denali Borough Mayor

February 2, 2018

Senator Cathy Giessel, Senate Resources Committee Chair
Senator John Coghill, Senate Resources Committee Vice-Chair
Members of Senate Resources Committee

Re: Support for Senate Bill 86

To the Senate Resources Committee:

The railroad plays a pivotal role in Fairbanks, from the supply line it provides to the Interior, to the carloads of tourists that visit Fairbanks each summer and frequent local businesses.

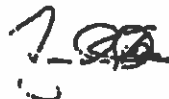
Railroad land extends into the heart of downtown Fairbanks. While the benefits of railroad land in the central Fairbanks district have provided benefits to businesses who lease the property, there is prime riverbank real estate with full utility hookups that has remained vacant for 20 years. Despite the fact that this presents an exciting opportunity for new housing, it's difficult for a singular residential developer to acquire the financing to build a riverbank home on leased land.

According to the Department of Natural Resources, in 2015 less than 1% of state land was under private ownership. Allowing the Alaska Railroad the discretion to determine which land resources would be best in private hands, and therein contributing revenues to local governments, would be a gain for the Fairbanks economy and economies all over Alaska.

FEDC supports the addition of a sunset date to SB 86. Providing a sunset date allows Alaskans to benefit from the jobs, commercial ventures, and residential lots from unused Alaska Railroad land reserves while allowing future Alaskans to choose whether or not the Alaska Railroad should be allowed to continue selling parcels that are not part of the right-of-way/operational reserves.

Fairbanks Economic Development Corporation exists to assist in creating new jobs and new economic opportunities while reinforcing current industries for the residents of the Fairbanks North Star Borough. It is with these ends in mind that we urge you to support Senate Bill 86 and amend the legislation to include a sunset date.

Sincerely,



Jim Dodson
President and CEO
Fairbanks Economic Development Corporation

Alaska Bankers Association

P.O. Box 241489 • Anchorage, Alaska 99524-1489 • Ph. 907-261-3525 • Fax 907-562-1758

February 1, 2018

**Senator Cathy Giessel, Chair
Senate Resources Committee
State Capitol
120 4th Street, RM 3
Juneau, AK 99801**

Re: Support for SB86 – Alaska Railroad Corporation Land

Dear Senator Giessel,

The Alaska Bankers Association wishes to inform you of its support for Senate Bill 86 allowing the Alaska Railroad Corporation to more efficiently manage its overall real estate portfolio.

Alaska's banks are committed to Alaska's communities, working every day to provide the credit businesses and families need to grow. Providing the ARRC the decision making and management capacities to streamline processes relating to land sales and exchanges would generate liquidity and promote opportunities for private investment leading to economic growth and development. Monetizing non-performing ARRC land assets could, in turn, lead to new jobs and increased local tax bases.

We urge your support for SB86.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Schierhorn", written over a horizontal line.

**Joe Schierhorn, President
Alaska Bankers Association**

http://www.newsminer.com/opinion/more-land-for-alaskans-bill-would-speed-up-railroad-sales/article_981716ce-13a0-11e8-8b38-cfca40e761e8.html

More land for Alaskans: Bill would speed up railroad sales for property-hungry buyers

Feb 18, 2018

News-Miner opinion: Business-oriented elected officials and like-minded people who would like to become elected officials sometimes proclaim the need to turn over some government functions to the private sector and, in a related principle, to make land owned by government agencies available for purchase by citizens and businesses.

There's a bill in the Alaska Legislature that aims to make it easier for one quasi-state agency, the Alaska Railroad Corp., to do just that. The railroad is owned by the state but receives no funding for its operations; it must raise revenue on its own, using the land granted to it by the federal government not only to provide for transportation but also to generate income.

But Alaska law prevents the railroad from selling its land or granting leases for longer than 95 years without approval from the Legislature. Senate Bill 86, sponsored by Republican Sen. John Coghill, of North Pole, would end that requirement.

Why is the legislation needed?

The Alaska Railroad's revenue from shipping is markedly down. Its most recent annual report showed freight revenue down 16 percent in 2016 over 2015. Its overall revenue, from all operations, was down 7.6 percent in 2016. "Never before has the Alaska Railroad Corporation had to roll with as many punches as came its way during 2016," according to the report.

Real estate accounted for 11 percent of the railroad's revenue in 2015 and 2016. The Alaska Railroad owns about 36,000 acres of land, half of which is used for its operations.

It's obvious that railroad officials want to — need to — increase revenue from real estate.

Being able to increase its land sales and leasing means railroad officials have to be able to respond quickly to potential buyers. The prospect of having to secure legislative approval for a sale or long-term lease surely keeps some potential buyers away. The Legislature — as Alaskans well know — is not a place where things happen quickly.

Getting the Legislature out of the way is important.

SB86 would also, as Sen. Coghill said in his sponsor statement, treat the railroad similarly to how the law governs the state Department of Transportation and Public Facilities, the Department of Natural Resources, the Alaska Mental Health Land Trust and the University of Alaska — none of which has to seek legislative approval to sell land.

The bill was introduced last year but had a hearing in the Senate Resources Committee earlier this month, during which a three-year sunset provision was added. That means current law requiring legislative approval will come back in force unless the Legislature determines otherwise after reviewing how the railroad performed without involvement of legislators.

The Fairbanks North Star Borough Assembly earlier this month approved a resolution of support for SB 86, stating that the timely sale of railroad land in Fairbanks, "without those delays inherent to the legislative process, may encourage local business growth and expansion, thereby increasing the local tax base." The Fairbanks City Council approved a similar resolution of support, as have the Fairbanks Economic Development Corp. and the Greater Fairbanks Board of Realtors.

Now, getting the Legislature to act promptly to approve a bill that takes away some of its power is another matter entirely.

But let's hope the House and Senate can find a way to get it done for the benefit of the railroad and Alaskans who want to buy the land.