

# Alaska State Legislature

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Senator Dennis Egan, Chair

Senator Joe Paskvan, V. Chair

Senator Bettye Davis

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## Senate Labor and Commerce Committee

### Senate Bill 156 Sponsor Statement

Senate Bill 156 will provide future benefits to the Alaska Railroad and individuals interested in leasing Alaska Railroad land. This legislation will allow for the Alaska Railroad Board of Directors to lease land for certain projects it approves for a period of up to 95 years.

As a state owned entity, the Alaska Railroad Corporation is mandated to foster economic development in communities along the railbelt as well as the state as a whole. An extension of lease terms for up to 95 years is in line with this directive and would create sizeable investment opportunities which in turn would contribute to economic growth and jobs for Alaskans. Large multi-million-dollar developments require the level of financial security afforded by longer leases. Longer leases encourage high-value building construction by assuring developers and financiers that the development will retain its value for future buyers.

It is important to note that shorter leases would still be approved when appropriate. In practice, a 95-year lease would be available only for those opportunities when a developer or business seeks to make those considerable capital and infrastructure improvements that maximize value to the Railroad and developers.

The Municipality of Anchorage, City of Seward and various leaseholders and developers throughout the railbelt have expressed support for this legislation.