

# **ALASKA**

## **RAILROAD**

### **General Questions**

- **Has legislature ever approved a sale?**

Yes, many times. Most recently:

In 2000 we did a land exchange with Eklutna, Inc., the Municipality of Anchorage, DOT and DNR to widen the Seward Highway and realign railroad tracks. (SB235)

In 2007 we did a transfer with Eklutna, Inc. (SB103)

In 2009 we did a sale to DOT (SB142) and a sale/swap with the Municipality of Anchorage (SB165)

- **How much land does ARR own?**

Approximately 36,000 acres. Half of which is used for railroad purposes, half is available for lease or sale.

- **Examples of a land that cannot be developed under a lease but could be attractive for a land sale?**

The Tri-Valley land in Healy is under lease currently but is limited in development because it is strictly residential. It could be beneficial to ARRC, the lessee, and the homeowners that sub-lease the property to sell it for their ownership.

We also have remote acreage in Curry and Hurricane that is unleaseable due to its remote nature and the low value of nearby land (why lease when I can buy for \$100?) that it may be worth selling for that price rather than getting no lease income.

Peger Road is partially on ARRC property. There is no developable value in the road. We would get more by doing a swap for other land with DOT.

- **Why was legislature required to approve sales?**

We have anecdotal reasons ranging from: it was a compromise with DNR to; it was done to keep the railroad whole in case some other railroad wanted to buy it to; because prior leaseholders were trying to get a sweetheart deal in buying the land.



## **Changes in Bill Language**

- **Why, in 42.40.352, do we remove the requirement that the board must find that the land is not necessary for railroad purposes and that the sale of land is in the best interest of the state?**

42.40.352(a) was removed because the board is already "responsible for the management of the financial and legal obligations of the Alaska Railroad;" under 42.40.100(1) and to "review all state and other land disposal proposals to aid in the planning for future development or expansion of transportation services" under 42.20.100(7)

- **What is the benefit of the sunset provision?**

Putting in a sunset provision will allow the legislature to examine the results of a few years of selling ARRC land and reinvesting the proceeds. We believe a five-year sunset is appropriate to allow for enough time to complete sales and build a track record.