

# ALASKA STATE LEGISLATURE

## Senator Joe Paskvan

Chair, Labor and Commerce  
Vice Chair, Health and Social Services  
Member, Transportation  
Member, State Affairs  
Member, Joint Armed Services

*Senate District E  
Fairbanks and Fort Wainwright*



State Capitol Building, Room 7  
Juneau, Alaska 99801-1182

Phone (907) 465-3709  
Fax (907) 465-4714  
sen.joe.paskvan@legis.state.ak.us  
<http://paskvan.aksenate.org/>

## Sponsor Statement

### SB 142: Transfer of Railroad Land to DOTPF: Fairbanks

The Department of Transportation and Public Facilities (DOT&PF) is preparing to reconstruct Illinois Street which provides primary access to downtown Fairbanks from the north. Other important travel routes intersect Illinois and Barnette Streets, which adds to the travel demands and safety concerns along this corridor. Pedestrian and bicycle facilities are currently inadequate or entirely absent.

The Illinois Street reconstruction project is also designed to support efforts to address riverfront enhancements in the area where the corridor crosses the Chena River. The goal is to create a road that celebrates Fairbanks' great traditions and provides a grand entrance into the Golden Heart City.

In order to complete this project the Department of Transportation and Public Facilities needs to acquire full interest in approximately 5 acres of property. The Alaska Railroad Corporation Act requires legislative approval for this action to proceed. Senate Bill 142 provides that authority and also that DOT&PF can provide a combination of cash, land of equal value or combination of both to the Alaska Railroad Corporation (ARRC).

There is no fiscal impact as DOT&PF costs are part of the construction cost of this project. Both DOT&PF and ARRC support the legislation.

I urge your support of Senate Bill 142.

**SENATE BILL NO. 142**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

**BY SENATOR PASKVAN**

**Introduced: 3/9/09**

**Referred: Transportation, Labor and Commerce**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act authorizing the conveyance of certain land of the Alaska Railroad Corporation**  
2 **to the Department of Transportation and Public Facilities; and providing for an**  
3 **effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
6 to read:

7 APPROVAL OF THE CONVEYANCE OF CERTAIN LAND TO THE  
8 DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. (a) The Alaska  
9 Railroad Corporation is authorized to convey the corporation's entire interest in approximately  
10 five acres of rail land located in the Alaska Railroad Fairbanks Terminal Reserve within  
11 Sections 3 and 10, Township 1 South, Range 1 West, Fairbanks Meridian, to the Department  
12 of Transportation and Public Facilities.

13 (b) The conveyance authorized in (a) of this section is made for the purpose of  
14 reconstruction, realignment, and widening of Illinois Street in Fairbanks, Alaska, by the

1 Department of Transportation and Public Facilities to improve highway operations and  
2 enhance safety.

3 (c) In consideration for the conveyance authorized in (a) of this section, the Alaska  
4 Railroad Corporation may accept cash, fee simple title to land of approximately equivalent  
5 fair market value, or a combination of land and cash sufficient to equalize the value of assets  
6 being exchanged. Land conveyed under this section to the Alaska Railroad Corporation shall  
7 be held and managed by the Alaska Railroad Corporation in accordance with AS 42.40.

8 (d) This section constitutes legislative approval under AS 42.40.285(1) for the Alaska  
9 Railroad Corporation to convey its entire interest in the land described in (a) of this section.

10 \* **Sec. 2.** This Act takes effect immediately under AS 01.10.070(c).

# FISCAL NOTE

**STATE OF ALASKA**  
**2009 LEGISLATIVE SESSION**

Fiscal Note Number: 2  
 Bill Version: SB 142  
 (S) Publish Date: 3/18/09

Identifier (file name): SB142-CED-ARR-03-16-09 Dept. Affected: DCCED  
 Title: Land Transfer Alaska RR and DOTPF RDU:  
 Component: Alaska Railroad Corporation  
 Sponsor: Senator Paskvan  
 Requester: Senate Labor and Commerce Committee Component Number: \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<b>OPERATING EXPENDITURES</b>							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2009) cost: 0.0

**POSITIONS**

Full-time							
Part-time							
Temporary							

**ANALYSIS:** (Attach a separate page if necessary)

This legislation would authorize the Alaska Railroad Corporation (ARRC) to transfer approximately five acres of rail land to the Department of Transportation and Public Facilities (DOTPF). This would accommodate the DOTPF's Illinois Street Reconstruction Project in Fairbanks. The ARRC would receive equivalent value in return through cash payment, conveyance of other lands, or a combination of both. ARRC is a public corporation supported by revenues generated through its freight, passenger and real estate services. ARRC does not receive state funding for operations or capital improvements.

Prepared by: Wendy Lindskoog, Assistant Vice President, Corporate Affairs  
 Division: Alaska Railroad Corporation  
 Approved by: Emil Notti, Commissioner  
Department of Commerce, Community and Economic Development

Phone: 907-265-2498  
 Date/Time: 3/15/09 11:00 AM  
 Date: 3/16/2009

# FISCAL NOTE

**STATE OF ALASKA**  
**2009 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: SB 142  
 (S) Publish Date: 3/18/09

Identifier (file name): SB142-DOT-NRD-03-11-09 Dept. Affected: DOT&PF  
 Title: Land Conveyance between DOT&PF and AK Railroad RDU: Design and Construction  
 Sponsor: Sen. Paskvan Component: No. Reg. Design & Engineering  
 Requester: Sen. TRA Component Number: 2299

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
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<b>CHANGE IN REVENUES ( )</b>								
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2009) cost: \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

**ANALYSIS:** (Attach a separate page if necessary)

There will be no fiscal impact to the Department. Should DOT&PF need to purchase land from the Ak Railroad as opposed to a land exchange - those right of way purchases are already a part of the project costs.

Prepared by: Mary Siroky, Legislative Liaison  
 Division: Department of Transportation and Public Facilities  
 Approved by: Nancy Stagle, Admin Director  
Department of Transportation and Public Facilities

Phone: 465-4772  
 Date/Time: 3/11/09 4:10 PM  
 Date: 3/11/2009

# ALASKA STATE LEGISLATURE

## Senator Joe Paskvan

Chair, Labor and Commerce  
Vice Chair, Health and Social Services  
Member, Transportation  
Member, State Affairs  
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### SB 142 Fact Sheet

### Illinois Street Reconstruction Project

#### Problem

- Traffic delays are longer than acceptable at 7 intersections<sup>1</sup>;
- A 3X higher than expected accident rate at First Avenue and Cushman Street;
- Poor sight distance at the Church Street approach due to road curvature;
- Pedestrian accidents at First Avenue and Cushman Street;
- Confusing lane configuration.

#### The Illinois Street Reconstruction project improves safety and

- Reduces traffic delays at intersections;
- Improves pedestrian or bicycle facilities along Illinois Street;
- Replaces the pavement which is in poor condition;
- Upgrades drainage along the length of Illinois Street;
- Improves sight distance problems at some intersections and approaches
- Increases roadway illumination;
- Supports downtown and Chena Riverfront development;
- Corrects confusing lane configurations that do not meet driver expectations.

This bill provides the Alaska Railroad Corporation (ARRC) the legislative approval it needs to exchange, donate, sell or otherwise convey its interest in land.

It is anticipated DOT&PF will need approximately 5 acres of various ARRC parcels in order to complete the Illinois Project.

DOT&PF needs title to this property **this year** to meet the federal right of way requirements that are needed prior to Federal Highway Administration (FHWA) approval to construct. Construction will occur in 2010.

DOT&PF does not need a fiscal note as right-of-way costs are already factored into project costs.

ARRC supports this bill.

<sup>1</sup> Illinois Street and Doyon, Church, and Charles Streets, Illinois and College Road, Barnette Street and Second, Third and Fourth Avenues.

**FAIRBANKS  
METROPOLITAN  
AREA  
TRANSPORTATION  
SYSTEM**



**POLICY COMMITTEE MEMBERS**

**Steve Titus, P.E.**  
Chair

Dept. of Transportation & Public Facilities  
Regional Director, Northern Region  
2301 Peger Road  
Fairbanks, Alaska 99709  
(907) 451-2210

**Mayor Jim Whitaker**  
Fairbanks North Star Borough  
P.O. Box 71267  
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(907) 459-1300

**Mayor Terry Strle**  
City of Fairbanks  
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Fairbanks, Alaska 99701  
(907) 459-6793

**Mayor Doug Isaacson**  
City of North Pole  
125 Snowman Lane  
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(907) 488-2281

**Luke Hopkins**  
Fairbanks North Star Borough  
Borough Assembly Representative  
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**Chad Roberts**  
City of Fairbanks  
Fairbanks City Council Representative  
P.O. Box 71819  
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**Alice Edwards**  
Dept. of Environmental Conservation  
Acting Director, Air Quality Division  
410 Willoughby Ave., Suite 303  
Juneau, Alaska 99811-1800  
(907) 465-5109

March 12, 2009

Alaska State Legislature  
Senator Joe Paskvan  
State Capitol  
Juneau, AK 99801

Dear Senator Paskvan:

The Fairbanks Metropolitan Area Transportation System (FMATS) would like to express our support for SB 142 authorizing the conveyance of certain land of the Alaska Railroad Corporation to the Department of Transportation and Public Facilities (DOT & PF). This land is critical to the upcoming reconstruction, realignment and widening of Illinois Street in Fairbanks, Alaska. Without this land, the reconstruction of Illinois Street could not occur.

This project began development in 1985 and is in the final stages of right-of-way acquisition. The plan is to construct this project in 2011. The public interest would be best served to convey this land to the DOT & PF so that this critical FMATS project may be built.

We thank you for sponsoring this bill and urge the Alaska State Legislature to pass SB 142 expeditiously.

Sincerely,

Donna J. Gardino  
MPO Coordinator

CC: FMATS Policy Committee  
FMATS Technical Committee  
Deputy Commissioner Frank Richards, P.E., DOT & PF  
Mary Siroky, Special Assistant to the Commissioner, DOT & PF

Date: March 18, 2009

**FAIRBANKS METROPOLITAN AREA TRANSPORTATION SYSTEM (FMATS)  
RESOLUTION NO. 2009-03**

**AN FMATS RESOLUTION IN SUPPORT OF HB 173 AND SB 142 AUTHORIZING  
THE CONVEYANCE OF CERTAIN LAND OF THE ALASKA RAILROAD  
CORPORATION (CORPORATION) TO THE DEPARTMENT OF TRANSPORTATION  
AND PUBLIC FACILITIES (DOT & PF) FOR THE PURPOSE OF RECONSTRUCTION,  
REALIGNMENT AND WIDENING OF ILLINOIS STREET IN FAIRBANKS, AK.**

**WHEREAS**, the DOT & PF has been developing the Illinois Street Reconstruction project since 1985; and

**WHEREAS**, the project is being funded out of the FMATS Transportation Improvement Program; and

**WHEREAS**, the reconstruction of Illinois Street is a top priority of the FMATS Policy Committee, the decision-making body of FMATS; and

**WHEREAS**, Illinois Street is a commonly used thoroughfare that connects downtown to the western and northern districts of the city, and is in dire need of reconstruction; and

**WHEREAS**, it is necessary for the Alaska State Legislature to approve the conveyance of the corporation's land interest as stipulated in AS 42.40.285(1); and


**WHEREAS**, the Corporation has approved of this land transfer to the DOT & PF, an approval that is required under AS 42.40.120(c)(14).

**NOW, THEREFORE BE IT RESOLVED**, FMATS supports HB 173 and SB 142 authorizing the conveyance of certain land of the Alaska Railroad Corporation to the



Department of Transportation and Public Facilities for the purpose of reconstruction, realignment and widening of Illinois Street in Fairbanks, AK.

**PASSED AND APPROVED THIS 18<sup>th</sup> DAY OF MARCH, 2009.**

  
**Steve Titus, P.E.**  
**FMATS Policy Committee, Chair**



Executive Office  
Telephone: 907-265-2403  
Facsimile: 907-265-2312

March 10, 2009

The Honorable Joe Paskvan  
Senator  
State Capitol, Room 7  
Juneau, AK 99801

The Honorable Scott Kawasaki  
Representative  
State Capitol, Room 428  
Juneau, AK 99801

Dear Senator Paskvan and Representative Kawasaki:

Thank you for your willingness to sponsor legislation authorizing the conveyance of approximately five acres of rail land from the Alaska Railroad Corporation (ARRC) to the Department of Transportation and Public Facilities (DOT&PF).

Over the years, ARRC has had the opportunity to work with DOT&PF to facilitate projects that benefit Alaska's public infrastructure needs. The Illinois Street Reconstruction Project proposed by DOT&PF is another such effort and we are pleased to provide our support.

ARRC Board of Directors and legislative approval are both required for conveyance of the corporation's entire interest in land as mandated by AS 42.40.120 (c) (14) and AS 42.40.285 (1), respectively. ARRC's Board of Directors authorized this particular exchange for the conveyance of rail land with the understanding that ARRC would receive equivalent value in return through cash payment, conveyance of other lands, or a combination of both.

ARRC representatives will be present at hearings for this legislation to help convey our support and answer questions. If you need additional information from us, please contact Wendy Lindskoog, Assistant Vice President Corporate Affairs, at 265-2498.

Sincerely,

for  
Patrick K. Gamble  
President and CEO



Adopted February 17 2009

Resolution No 2009-008

Approving Transfer of Real Property to the State  
Department of Transportation and Public  
Facilities

WHEREAS, the Alaska Railroad Corporation (ARRC) is the owner of certain land in the vicinity of Illinois Street in Fairbanks, Alaska, that has been requested by the Alaska Department of Transportation and Public Facilities (DOTPF) in connection with DOTPF's Illinois Street Reconstruction Project, STP-F-M-0663(4)/63102; and

WHEREAS, ARRC and DOTPF have negotiated various aspects of the proposed project and its impacts on ARRC and ARRC tenants for over four years, and ARRC is satisfied with the changes in design that have been made by DOTPF; and

WHEREAS, the properties proposed for transfer are generally shown on Exhibit A attached and will be independently appraised to establish value before any conveyance would occur; and

WHEREAS, ARRC and DOTPF are exploring whether DOTPF has lands eligible to transfer to ARRC in exchange for ARRC's Illinois Street properties instead of outright payment of the appraised value; and

WHEREAS, ARRC management recommends approval of this land conveyance based on the public interest served by DOTPF's project and contingent on ARRC receiving equivalent value in return through cash payment, conveyance of other lands, or a combination of both; and

WHEREAS, both ARRC Board approval and legislative approval are required for conveyance of the corporation's entire interest in land under AS 42.40.120(c)(14) and AS 42.40.285(1), respectively.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors has reviewed the proposed transaction and approves the conveyance of approximately three (3) acres of land as shown on Exhibit A to the Alaska Department of Transportation and Public Facilities in exchange for equivalent value in land or cash or both being transferred to the corporation; and

FURTHER RESOLVED, the President and CEO or his designee is authorized to negotiate such other conditions of transfer and take such other steps as he deems are appropriate and in the best interests of the corporation, including but not limited to seeking legislative approval of the conveyance of the corporation's entire interest in land as required by law

This is to certify that I am the Secretary of the Board of Directors of the Alaska Railroad Corporation, and the above Resolution No. 2009-008 is a true and correct copy of the resolution adopted by the Alaska Railroad Corporation's Board of Directors at its regular meeting on February 17 2009

Date

Feb. 17 2009

James B. Blasingame  
James B Blasingame  
Board Secretary

Corporate Seal

# STATE OF ALASKA

SARAH PALIN, GOVERNOR

DEPARTMENT OF TRANSPORTATION  
AND PUBLIC FACILITIES  
OFFICE OF THE COMMISSIONER

3132 CHANNEL DRIVE  
PO Box 112500  
JUNEAU ALASKA 99811-2500  
FAX (907) 586 8365  
PHONE (907) 465 3900

March 17, 2009

The Honorable Scott Kawasaki  
Alaska State Legislature  
State Capitol, Room 428  
Juneau, AK 99801-1182

Dear ~~Senator~~ Kawasaki:

*Rep.*

The Department of Transportation and Public Facilities supports SB 142 and HB 173. Either of these bills allows the Department to obtain land required for the much needed Illinois Street Reconstruction project in the City of Fairbanks.

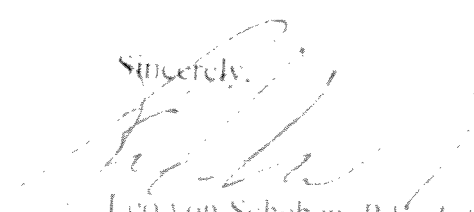
Illinois Street has been a vital part of the transportation infrastructure in Fairbanks for over 90 years. A portion of this vital urban arterial route is on land that was transferred to the Alaska Railroad Corporation when the State acquired the railroad from the federal government. This fact was discovered when researching the right of way status for these long planned major improvements.

This project is being designed and constructed largely with Federal Highway funds. Under federal regulations, the Department must certify that it has sufficient legal interest in the underlying right-of-way before we can proceed with construction.

The proposed legislation allows the Department of Transportation and Public Facilities to acquire the needed legal interest in this right of way from Alaska Railroad Corporation.

We fully support this legislation. Passage this session will allow construction on this important project to begin in 2010.

Sincerely,

  
Leo von Scheben, P.E., F.S., M.B.A.  
Commissioner

cc: Mary Siroky, Legislative Liaison, DOT&PF