

ALASKA STATE LEGISLATURE

Finance Committee
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While in Session
State Capitol, Rm. 103
Juneau, AK 99801
(907) 465-3704
Fax: (907) 465-2529

•
While in Anchorage
716 W. 4th Ave
Anchorage, AK 99501
(907) 269-0169
Fax: (907) 269-0172

SENATE MAJORITY LEADER
JOHNNY ELLIS

SPONSOR STATEMENT – SENATE BILL 165

AN ACT AUTHORIZING THE TRANSFER OF TWO PARCELS OF LAND FROM THE ALASKA RAILROAD CORPORATION TO THE MUNICIPALITY OF ANCHORAGE; AND PROVIDING FOR AN EFFECTIVE DATE

Senate Bill 165 would authorize the Alaska Railroad Corporation (ARRC) to exchange two parcels of land on Government Hill in Anchorage for land owned by the Municipality of Anchorage (MOA). The MOA parcel is of similar value and is located on 3rd Avenue between the A and C Street couplet in Anchorage.

The first ARRC parcel is not contiguous with other ARRC property and does not currently generate lease revenue. It is located near the entrance of Government Hill and was formerly occupied by an auto detailing shop. Once the parcel transfers, the Anchorage School District will use the land to design a safer, more efficient entrance to Government Hill Elementary School. The parcel has an appraised value of \$122,800.

The second ARRC parcel is covered under a long-term lease. It was leased approximately six years ago by Jaguar Development Group, LLC for a term of 55 years. The parcel is surrounded by MOA owned or controlled property (Hollywood Drive and the old Hollywood Vista housing complex, demolished in the late 1980s). The site is being redeveloped into a residential subdivision after years of planning by the Government Hill community and the MOA. The MOA will own the parcel after the trade. Fee simple title can then be offered to individual purchasers instead of a lease, through the MOA or its developer. The parcel has an appraised market value of \$480,000.

In exchange for the two ARRC parcels, MOA will transfer its parcel to ARRC, which is surrounded by ARRC land. It is currently used for parking and is managed by the Downtown Parking Authority. The MOA property is approximately 20,150 sq. ft. with an appraised market value of \$645,000.

The ARRC and MOA properties proposed for exchange have been independently appraised and valued at \$602,800 and \$645,000, respectively. MOA indicates it expects no additional consideration for its slightly higher valued property.