

**ALASKA STATE LEGISLATURE**  
**HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE**

February 11, 2010

8:14 a.m.

**MEMBERS PRESENT**

Representative Cathy Engstrom Munoz, Co-Chair  
Representative Wes Keller  
Representative Sharon Cissna  
Representative Berta Gardner

**MEMBERS ABSENT**

Representative Bob Herron, Co-Chair  
Representative John Harris  
Representative Charisse Millett

**COMMITTEE CALENDAR**

HOUSE BILL NO. 273

"An Act relating to general grant land entitlements for the City and Borough of Wrangell; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 281

"An act relating to the duties of the commissioner of fish and game and to the interest of the board of game in public safety as it relates to game."

- HEARING POSTPONED TO 2/16/10

**PREVIOUS COMMITTEE ACTION**

BILL: HB 273

SHORT TITLE: MUNICIPAL GENERAL GRANT LAND

SPONSOR(S): REPRESENTATIVE(S) P.WILSON

01/08/10	(H)	PREFILE RELEASED 1/8/10
01/19/10	(H)	READ THE FIRST TIME - REFERRALS
01/19/10	(H)	CRA, FIN
02/11/10	(H)	CRA AT 8:00 AM BARNES 124

**WITNESS REGISTER**

REPRESENTATIVE PEGGY WILSON

Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Spoke as the sponsor of HB 273.

REED HARRIS, Staff  
Representative P. Wilson  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented HB 273 on behalf of the sponsor,  
Representative P. Wilson.

BARBARA SHIENBERG, Community & Strategic Planning Consultant  
Sheinberg Associates  
Juneau, Alaska

**POSITION STATEMENT:** During hearing of HB 273, related her work  
with the City and Borough of Wrangell.

DICK MYLIUS, Director  
Division of Mining, Land, and Water  
Department of Natural Resources  
Anchorage, Alaska

**POSITION STATEMENT:** Expressed concerns with HB 273.

DONALD MCCONACHIE, Mayor  
City & Borough of Wrangell  
Wrangell, Alaska

**POSITION STATEMENT:** During the hearing of HB 273, testified  
that Wrangell intends to utilize the selected lands.

TIMOTHY ROONEY, Manager  
City & Borough of Wrangell  
Wrangell, Alaska

**POSITION STATEMENT:** During the hearing of HB 273, testified  
that without an increase in the formula-based entitlement  
acreage, Wrangell has difficulty protecting the interests of its  
residents.

#### **ACTION NARRATIVE**

[8:14:46 AM](#)

**CO-CHAIR CATHY ENGSTROM MUNOZ** called the House Community and  
Regional Affairs Standing Committee meeting to order at 8:14  
a.m. Representatives Munoz, Keller, Cissna, and Gardner were  
present at the call to order.

**HB 273-MUNICIPAL GENERAL GRANT LAND**

8:14:58 AM

CO-CHAIR MUNOZ announced that the only order of business would be HOUSE BILL NO. 273, "An Act relating to general grant land entitlements for the City and Borough of Wrangell; and providing for an effective date."

8:15:26 AM

REPRESENTATIVE PEGGY WILSON, Alaska State Legislature, speaking as the sponsor of HB 273, explained that HB 273 would correct a deficit in the formation process that resulted in a small land entitlement for the City & Borough of Wrangell (CBW). The state has an established policy to assist formation and operation of new boroughs, which is done via state land grants that will benefit the long-term stability and address the economic, cultural, and resource-based goals of the residents. According to the Department of Natural Resources (DNR), the City & Borough of Wrangell's land grant would be 1,952.5 acres, which is less than any other borough created in the state. Therefore, this legislation proposes a solution to the situation.

8:16:36 AM

REED HARRIS, Staff, Representative P. Wilson, Alaska State Legislature, first directed the committee's attention to a document entitled "Borough Entitlement Statistics" drafted by CBW's consultant Barbara Sheinberg. He pointed out that information for CBW is incorrect because when the city was formed DNR gave Wrangell about 500 acres. Therefore, the entitlement for Wrangell is 1,952.5 acres, which lowers the percentage of total land in the borough that was received as an entitlement to 0.12 percent. This entitlement is obviously the smallest percentage of any borough in the state. In fact, other boroughs received, on average, 1.13 percent of the total state land within the borough. Were Wrangell to receive 1.13 percent of the total state land within the borough, it would amount to 18,673 acres, which is what HB 273 seeks to entitle to CBW. Mr. Harris explained that upon borough formation, new municipalities receive a land grant from the state that is 10 percent of the vacant, unappropriated, unreserved (VUU) lands within the borough. However, CBW is currently comprised of 97.28 percent federal lands and 2.48 state lands, which is why the land entitlement from DNR would be so small.

8:19:36 AM

CO-CHAIR MUNOZ asked if the 10 percent is established in statute.

MR. HARRIS replied yes, specifying that statute includes a formula such that 10 percent of the VUU land within the borough is entitled to the borough. This formula didn't work well for Wrangell because the area consists of about 98 percent federal land, mainly the Tongass National Forest.

8:20:05 AM

MR. HARRIS, continuing his presentation, informed the committee that there is precedence for a proposal such as in HB 273. In 1998, former Senator Jerry Mackie introduced Senate Bill 281, which addressed land grant entitlements for the City of Yakutat. When Yakutat was formed it was granted 138 acres of state land, which was determined by the aforementioned VUU lands formula. Senate Bill 281 was passed and resulted in Yakutat receiving 8,500 total acres. The CBW has approximately 44,000 acres of state land, including Alaska Mental Health Trust and University of Alaska lands. The increased entitlement would provide land for Wrangell residences while leaving significant state land remaining within the borough. The additional acreage is important to provide for the needs of the borough and its citizens. Furthermore, in the current borough comprehensive planning process Wrangell residents have identified future energy and port development to enhance economic opportunities within Wrangell. However, the aforementioned development can't be accomplished with only 1,952 acres. Additionally, CBW is underfunded in terms of land, he noted. In conclusion, Mr. Harris requested that CBW receive a similar land grant amount as other boroughs, 1.13 percent of state lands within the borough or 18,673 acres.

8:21:59 AM

REPRESENTATIVE CISSNA asked if there are any residences in the new area that is being added.

REPRESENTATIVE P. WILSON replied that there are some residences in the additional acreage, albeit the residences are sprinkled throughout the additional acreage. In further response to Representative Cissna, Representative P. Wilson clarified that the additional acreage would be within the borough boundaries.

8:24:23 AM

CO-CHAIR MUNOZ recalled working on the university lands legislation, in which the date was altered to provide Wrangell additional time to make its land selections. She asked if HB 273 would comply with the date change in the university lands legislation.

REPRESENTATIVE P. WILSON replied yes.

8:25:01 AM

REPRESENTATIVE KELLER surmised that there would be tax ramifications on those residences in the additional acreage being requested.

REPRESENTATIVE P. WILSON clarified that these residences are already part of the borough, and therefore there won't be any new tax ramifications. She further clarified that in Wrangell the city and borough are one, not separate. The additional acreage will help with economic development and the ability to use the land existing within the borough boundaries. In further response to Representative Keller, she nodded her head that this additional acreage isn't of concern for private citizens.

8:26:12 AM

BARBARA SHIENBERG, Community & Strategic Planning Consultant, Sheinberg Associates, informed the committee that over the past year she has been working with CBW to help it perform its comprehensive plan, which was required after formation of the borough. Over the last year, about 10 work public sessions were held in Wrangell, 2 town meetings, and a community opinion survey. She noted that after the borough formation a property tax was instituted. The property tax role specifies that there are about 433 privately owned parcels scattered throughout four to five communities in the additional acreage. As part of the process, Ms. Sheinberg visited all of the communities within the proposed expanded area. At each locale, residents were asked about their current situation and future with regard to the land necessary to sustain themselves and their children in the future. The information from the aforementioned meetings led to the identification of land Wrangell wanted to select from the borough to support itself and its residents. She also created future growth maps for the entire borough.

MS. SHEINBERG said that the land selection process was done in a fashion that was blind to the numbers in order to have real justification for the land selected. At first blush, the process resulted in the selection of about 10,000 acres. After comparing the 10,000 acres with the 2,500 to which CBW was originally entitled, there was review of whether [the 10,000 acres] was reasonable. Upon review, it was apparent that CBW's entitlement was smaller than any other borough had received. The group then reviewed what other boroughs have received versus the land in the borough. The request, she opined, is based on the real need to satisfy economic development, recreation, and other needs. Although she acknowledged that the requested land is a large portion of the state's land base in the CBW, about 75 percent of VUU land in the area, it's the amount of land CBW needs to sustain itself. She questioned whether it mattered if the state or the borough owns the land as the land will likely be used in the same manner. In closing, Ms. Sheinberg asked if because there is so little state land in the borough Wrangell should be penalized and not opportunities, such as a regional solid waste disposal, an industrial port, protection of fisheries to generate income for itself and its residents. She opined that Wrangell should be able to select more land than the statutory formula specifies. She then directed the committee's attention to the Earl West Cove Future Growth Map, which illustrates the large portion of VUU land, about 3,500 acres, from which CBW can select. The aforementioned parcel is just 1 of 20 places CBW has selected. She pointed out that the portion highlighted in orange is part of what CBW is interested in as part of its entitlement. This land is also part of CBW's future growth maps, which it would like to use for remote residential development. She pointed out another selection that CBW would like as it's part of a timber harvest area. The borough would like to contribute to an upcoming timber sale in the area. She then directed attention to the map of Thoms Place, which is located within CBW. She pointed out the two areas of VUU land that are owned by the state and are eligible for selection. Outlined in orange are the two small areas CBW would like to select. This is the area, she related, where CBW wants to place a residential disposal in order to make more land available to residents. There is also a portion that includes high quality timber in which CBW is interested. Ms. Sheinberg opined that Wrangell has systematically moved through this process and identified between 10-18,000 acres that they would like in order to support itself.

[8:37:10 AM](#)

REPRESENTATIVE CISSNA expressed interest in whether those in the selected land want to be part of the community [borough].

MS. SHEINBERG characterized this as a great planning job. She related that Meyers Chuck was very much supportive of being within CBW. She explained that she traveled throughout the CBW with Wrangell's economic development director, police chief, and a key firefighter. The main livelihood of these remote locations is commercial fishing or light tourism, which the residents want to be able to continue. Therefore, these residents wanted good communication ability. After carefully listening to the requests of the residents, these municipal entitlement selections were chosen.

[8:40:39 AM](#)

REPRESENTATIVE CISSNA asked if the interview process Ms. Sheinberg performed is being built into the future planning of the area.

MS. SHEINBERG replied yes. In fact, the public hearing draft is almost ready to be issued. She noted that within the plan a chapter is dedicated to each of the remote areas as well as for the overall borough itself.

[8:41:34 AM](#)

REPRESENTATIVE CISSNA asked if anyone was opposed to HB 273.

MS. SHEINBERG replied no, which she attributed to the planning honoring the wishes of the residents, especially the remote residents, in the entitlement selections.

[8:42:01 AM](#)

CO-CHAIR MUNOZ highlighted that the remote residents are already part of the borough, and this legislation requests selection of land outside [the borough].

MS. SHEINBERG replied yes, adding that the remote residential opportunities were selected away from existing residents with a buffer and near where timber harvests are already occurring on federal lands.

[8:43:44 AM](#)

DICK MYLIUS, Director, Division of Mining, Land, and Water, Department of Natural Resources, reminded the committee that the division administers the municipal entitlement program that transfers state land to municipalities. This legislation amends AS 29.65.010(a) to increase the City & Borough of Wrangell's entitlement from approximately 1,952 acres to 18,675 acres. He explained that new municipalities receive a land grant based upon the amount of state land within the municipality's boundary, specifically 10 percent of VUU state land within the municipality's boundary. The VUU is based on land classifications and excludes any land that the legislature has set aside, such as state parks and game refuges. Under existing statute and using the 10 percent formula, CBW's entitlement would've been 1,952 acres. However, based on the averaging of the 13 boroughs listed in AS 29.65.010(a), the borough believes it deserves an entitlement that is significantly larger than the 10 percent of VUU land prescribed in statute. In fact, HB 273 would increase CBW's entitlement to 75 percent of VUU land within the corporate boundaries or 50 percent of all state land within the borough. Mr. Mylius stated that the aforementioned is a far higher percentage than received by other boroughs and is a significant deviation from the formula that has been in place since 1978. The existing law was implemented to establish a consistent policy with regard to how entitlements are determined. In fact, prior to the existing law there was significant litigation between the state and municipalities regarding how to calculate municipal entitlements. The existing formula has been applied to practically all municipalities formed since 1978, save Yakutat. Mr. Mylius acknowledged that CBW's formula driven entitlement is small because the state doesn't own a lot of land in the borough. He related that DNR suggests that the acreage being requested be reduced significantly and that the borough not be allowed to acquire the majority of state-owned land in the borough. This legislation, he opined, will have significant negative impacts on state forestry management, future state land sales, and potentially public recreational use of state lands. However, the exact impacts are difficult to assess because DNR isn't aware of what specific lands the borough would select. He predicted that CBW will likely select land proposed for inclusion in the Southern Southeast State Forest that was approved by the House last session and will be considered in the Senate. Furthermore, passage of this legislation will significantly reduce the amount of land available for transfer to the University of Alaska should University of Alaska lands legislation pass. Moreover, the department is concerned about deviation from the aforementioned long-standing state policy. The proposal in HB

273 is based on the total amount of land within the borough regardless that most of the land isn't state owned. The aforementioned establishes a precedent that future municipalities may attempt to follow and would significantly diminish the state's land base. Mr. Mylius clarified that DNR isn't necessarily opposed to an increased entitlement, but the 18,675 acres request that takes away 75 percent of the VUU land and 57 percent of all state land is too much.

[8:48:21 AM](#)

MR. MYLIUS turned to the topic of timber harvest. He explained that the amount of timber that can be harvested from state land in southern Southeast Alaska is based on the sustained yield calculation based on the amount of state land within the state's timber base. By removing the two proposals proposed in CBW's land selection, the land would likely go to the borough and be removed from the state's timber base. Therefore, the state would be able to harvest less timber from those state lands. He noted that although CBW is saying that it can perform timber harvests and land sales, often that has not been the experience of DNR. The aforementioned then places more pressure on DNR to perform timber harvests and land sales on less suitable lands. The department has transferred much land to municipalities, but very few have aggressive land sale programs, which results in pressure from the public and legislature to continue to sell state land even when DNR has given away the best state lands for land sales to municipalities. Similarly, municipalities have had great difficulty harvesting timber from their lands. For example, in the Mat-Su Borough timber harvests on borough lands is far more controversial than when on state lands. Furthermore, the state's timber program is designed to support local, small scale mills. Although the state has been fairly successful with the aforementioned, municipalities haven't been. Again, DNR would like to review the specific parcels being selected and would request that CBW reduce the amount of land for its entitlement.

[8:50:27 AM](#)

MR. MYLIUS said that most boroughs have followed the 10 percent formula. In fact, the boroughs that have formed since 1978 that aren't listed in statute all used the formula-driven entitlement. However, when Yakutat Borough initially formed it contained little state land, and thus had a small entitlement. Subsequently, the Yakutat Borough annexed a very large portion of state land in the Cape Yagataga area, over 200,000 acres of

state land. The Yakutat Borough asked the legislature to give it a percentage of that large parcel of state land acquired through annexation. He noted that under existing statute a municipality that annexes a large piece of state land doesn't result in an increase in that municipality's entitlement. The legislature agreed to the aforementioned because Yakutat originally requested that portion of state land be included in the borough, but the Local Boundary Commission (LBC) rejected that request. Therefore, the Yakutat Borough decided to go through the annexation process, through which it succeeded because it had a large land base from which it could draw its increased entitlement. Similarly, the Lake and Peninsula Borough sought a legislative fix. In the Lake and Peninsula Borough's case although there was a large amount of state land within the borough, because of the planning very little of it was in VUU land. Therefore, there was an exception made. Mr. Mylius highlighted that the exceptions were based on the fact that there was a large amount of state land. He reiterated DNR's concerns that CBW's 18,675 acre entitlement request would take a significant amount of state land within the borough and limit the state's ability for timber harvests and land sales in the future as well as sets a precedent.

[8:52:47 AM](#)

REPRESENTATIVE GARDNER asked if Mr. Mylius considered it a credible argument that without adequate land to support the needs of CBW, it would discourage the formation of boroughs in other regions.

MR. MYLIUS replied no, explaining that in most areas where boroughs would form there is a significant amount of state land, especially in the unorganized borough areas. The reality, he related, is that boroughs don't receive a significant amount of revenue from land management activities. However, the boroughs do have interest in those state lands for providing public services, community development. Still, the land isn't a great revenue source for most of the municipalities, which can partially be attributed to the fact that the state retains the oil and gas rights.

[8:54:34 AM](#)

REPRESENTATIVE GARDNER then asked if Mr. Mylius would consider the fact that a newly formed borough doesn't have enough land to meet its needs a reasonable argument.

MR. MYLIUS characterized it as a concern. However, he maintained the need to see CBW's map and associated needs. He reminded the committee that Ms. Sheinberg said CBW, through its planning effort, determined a need for about 10,000 acres. However, this request is for 18,675. He further reminded the committee that DNR is open to an increased entitlement, but it should be based on need.

[8:55:39 AM](#)

REPRESENTATIVE CISSNA inquired as to whether the process requires the borough request specific parcels of land or can the borough request a total amount of acreage and then select specific parcels.

MR. MYLIUS explained that DNR determines the calculation based on the 10 percent of VUU land without knowing the specific lands, the borough then submits applications for specific parcels. The statute specifies timelines. The department doesn't certify until the borough has been in existence for two years, then there's a six-month period in which to certify the acreage. From that point, the borough has a year to file its selections. Therefore, the department doesn't have any knowledge as to what lands will be selected until after the acreage is determined. Mr. Mylius echoed his concern that HB 273 essentially eliminates the existing formula and creates a new formula that's applied to CBW. If that new formula is applied for future municipalities or existing municipalities, it would be of great concern to the department, he remarked.

[8:57:53 AM](#)

CO-CHAIR MUNOZ noted that the committee packet includes a letter from DNR in response to a request for an expedited entitlement certification. The letter specifies that the decision would be in effect January 11, 2010, if no appeal is filed. She inquired as to the definition of an expedited entitlement certification as well as how it pertains to the process the borough is pursuing.

MR. MYLIUS reminded the committee that DNR certifies the entitlement three years after the borough is formed. However, there is also a provision that allows the borough to request an expedited certification prior to the two years and six months specified in statute. The aforementioned is what CBW is doing and to which the letter refers. The CBW has administratively appealed the decision, which he attributed to the low acreage

and the borough's concern with regard to crediting the acreage the state had previously given to the City of Wrangell. He explained that originally Wrangell's entitlement was around 2,500 acres, but the City of Wrangell had already been given land from the state. Therefore, when the borough was formed, all the interests of the city transferred to the borough. That land given to the city was then taken by the department as a credit to the total 2,500 acre borough entitlement. The aforementioned is under administrative appeal to the commissioner. In further response to Co-Chair Munoz, Mr. Mylius deferred to the attorneys regarding the impact of the appeal on the city's deadlines. However, he pointed out that HB 273 does include a provision that extends the selection deadline, to which DNR has no opposition.

[9:00:47 AM](#)

REPRESENTATIVE GARDNER recalled that Ms. Sheinberg testified that the lands Wrangell has identified include lands that would support a landfill with a deep water port, a possible harbor to support timber harvest, and home sites for residential and recreational uses. Representative Gardner asked if DNR contends that if CBW was held to lower acreage, it would have adequate land to meet needs laid out in its planning document.

MR. MYLIUS reiterated that DNR believes that it's likely appropriate for CBW to receive a larger entitlement than that specified using the existing statutory formula. However, the concern is that the entitlement shouldn't be the 18,675 acres and the acreage shouldn't be based on a formula that isn't in statute. If CBW desires ownership of specific tracts of land that it has identified for specific purposes, the department is open to reviewing those and basing the entitlement on actual need as opposed to the proposal in HB 273. In further response to Representative Gardner, Mr. Mylius confirmed that in the department's experience those boroughs that have been given timber lands haven't followed through with development and adversely impacted the state timber harvest. As mentioned earlier, the Mat-Su Borough is a good example of the aforementioned. Furthermore, the amount of timber the state can cut is based on the total timber base and the take is based on the sustained yield. Whatever amount of the timber base that is taken out of state ownership proportionally reduces the amount of timber the state can offer for sale.

[9:04:14 AM](#)

MR. MYLIUS, in response to Representative Keller, explained that the 18,675 acres Wrangell is requesting is 75 percent of the VUU lands, which is land that is identified for land sales, recreation, and general use. However, the 18,675 acres is 57 percent of all state lands. Therefore, the lands that aren't VUU lands are mainly lands that have been identified for wildlife habitat. He clarified that the VUU lands don't include Mental Health Trust lands because it's not managed by DNR and not considered state land in terms of determining municipal entitlements and selections.

[9:06:26 AM](#)

REPRESENTATIVE CISSNA asked if the state listens to communities when performing timber selections in order to ensure that the visual assets of the community, from which they could make money, are protected.

MR. MYLIUS replied yes, but noted that the department also has to listen to residents statewide because the state land is managed in terms of the best interest of all Alaskans. Therefore, there are times in which the statewide interest may be greater and perhaps override the local interest. In Wrangell, two areas have been indentified within the borough for timber harvest through the public process and those are proposed for inclusion in the state forest, which has also gone through a fair amount of public discussion and approval by the legislature. This legislation would likely result in some of those lands transferring to borough ownership. The department recognized that possibility when the State Forest legislation was put together. However, the amount of land the borough might receive wasn't recognized because it was envisioned that the borough's entitlement would be somewhere closer to 2,500 acres.

[9:09:33 AM](#)

REPRESENTATIVE CISSNA asked if this legislation deals with changes beyond the formula. He asked if the department foresees changes in the selection choices the community is making.

MR. MYLIUS said that the legislation only changes the formula for Wrangell and the concern is that it would be precedent for future municipalities. However, the legislation doesn't change what lands the borough can select as the borough would remain limited to VUU lands. There is a provision in the State Forest legislation that would allow CBW to select lands outside of the state forest if the legislature sets it aside.

9:11:11 AM

REPRESENTATIVE CISSNA asked if Mr. Mylius has any suggestion to change the legislation such that [the formula] isn't changed enough to establish a precedent, while providing enough acreage to meet the hopes of Wrangell in terms of development.

MR. MYLIUS reiterated that the department doesn't have the maps specifying the selections to determine how they would impact state land management. He indicated that having the maps could help the department enter a dialogue with CBW to develop a more acceptable acreage figure. However, he didn't believe the legislature needed to approve the specific parcels.

9:12:58 AM

REPRESENTATIVE GARDNER asked if, in broad terms, it's fair to say that CBW is in a unique position in comparison to other boroughs because of the small proportion of VUU lands.

MR. MYLIUS replied no, adding that it's the same issue in most areas in Southeast Alaska. He attributed the aforementioned to the nature of the state land selections under the Statehood Act, which placed significant restraint on how much land the state could acquire from the Tongass National Forest. Therefore, any community located in the Tongass or Chugach National Forest will have a relatively small land entitlement. The communities of Juneau, Ketchikan, and Sitka have the larger land entitlements because there was a fairly large exclusion from the National Forest around those communities. Therefore, the state was able to select more land. He mentioned that the problem of a small land entitlement would be the case for communities such as Petersburg and Prince of Whales Island, and other communities in the National Forest.

REPRESENTATIVE GARDNER surmised then that it's necessary to develop a solution for CBW if the desire is to encourage borough formation in other communities within the National Forest lands.

MR. MYLIUS opined that the lands haven't been the impediment to borough formation. He reiterated his supposition that [were HB 273 to become law] boroughs such as Wrangell that decide to organize will likely desire the same fix as Wrangell.

9:16:40 AM

DONALD MCCONACHIE, Mayor, City & Borough of Wrangell, informed the committee that Wrangell has a history of developing its timber resources. In fact, in the last few years Wrangell developed two recent timber sales in order to support the local mill and keep it operational, one of which was through the Alaska Mental Health Trust lands. Moreover, in the last few months Wrangell has reviewed developing a regional waste authority. Wrangell, he opined, intends to use the selected lands. He related that there was little opposition to borough formation in Wrangell.

[9:19:23 AM](#)

REPRESENTATIVE CISSNA inquired as to where the mayor stands with regard to working [with the department] toward less of a rewrite of the formula and meeting both the borough's and the state's needs.

MAYOR MCCONACHIE said he didn't want to set a precedent. However, he opined that there's a unique situation in Southeast Alaska and the National Forest lands, which needs to be addressed in an equitable manner for those communities and DNR.

[9:21:10 AM](#)

TIMOTHY ROONEY, Manager, City & Borough of Wrangell, suggested that the formula has worked well in those areas with an abundance of state lands. However, that's not the case for Wrangell. Without an increase in the formula-based entitlement acreage, Wrangell has difficulty protecting the interests of the residents of those within the remote areas of the borough. While the 18,675 acre request may be more than DNR feels appropriate, CBW is willing to develop a figure that allows for the necessary protection for some of the remote areas. He stated that the amount necessary for protection would amount to at least 10-12,000 acres.

[9:22:48 AM](#)

REPRESENTATIVE KELLER inquired as to Mr. Rooney's opinion regarding testimony that land transferred to CBW wouldn't be developed and sold.

MR. ROONEY said that rural residents want to protect their interests while the borough moves forward with development strategies. There are some unique residential settings in the

borough, which it would like to expand upon while keeping in mind the desires of the residents of the area.

REPRESENTATIVE KELLER remarked that if he had nice beachfront property, he may not be excited about surrounding development.

[9:24:35 AM](#)

REPRESENTATIVE CISSNA requested that the committee be kept abreast of the process with CBW.

[9:25:50 AM](#)

CO-CHAIR MUNOZ announced that HB 273 will be held over. During that time, she encouraged the manager and mayor of Wrangell to meet with Mr. Mylius regarding specific proposals within the land selections in order to develop a compromise.

[9:26:51 AM](#)

REPRESENTATIVE GARDNER related her understanding that the university has said it doesn't care if specific parcels in the Wrangell area are taken out of the university land grants list.

REPRESENTATIVE P. WILSON confirmed that to be the case, and added that the university land grant legislation includes a section regarding borough formation.

REPRESENTATIVE GARDNER then asked if there are other within the university land grant legislation slated for the university in which CBW might be interested.

REPRESENTATIVE P. WILSON said that although she wasn't sure, the University of Alaska was made aware of lands [in which CBW is interested] some time ago and agreed to those. She confirmed that the University of Alaska is not particularly concerned with the parcels CBW desires.

[9:28:23 AM](#)

MR. MYLIUS, in response to Co-Chair Munoz, said that he or his planning staff would be available to work with CBW regarding specific land proposals. He noted that he would be in Juneau next week and could meet with Ms. Sheinberg. In further response to Co-Chair Munoz, Mr. Mylius agreed to meet [with CBW] in order to come to some agreement in the coming weeks.

[9:29:24 AM](#)

CO-CHAIR MUNOZ announced that public testimony on HB 273 would be left open.

[9:29:43 AM](#)

REPRESENTATIVE P. WILSON, in closing, related that Wrangell is an independent town, which has struggled in the last 10 years with economic development. Traditionally, Wrangell is a timber and fishing town, and therefore the residents are accustomed to those industries. Furthermore, she emphasized that the land CBW receives will be used in a way to further economic development for the borough. Representative P. Wilson expressed the need to avoid penalizing Wrangell for the lack of state lands in the area.

[HB 273 was held over.]

[9:31:36 AM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 9:32 a.m.