

**ALASKA STATE LEGISLATURE
HOUSE EDUCATION STANDING COMMITTEE**

January 29, 2010

8:02 a.m.

MEMBERS PRESENT

Representative Paul Seaton, Chair
Representative Cathy Engstrom Munoz, Vice Chair
Representative Bryce Edgmon
Representative Robert L. "Bob" Buch
Representative Berta Gardner

MEMBERS ABSENT

Representative Wes Keller
Representative Peggy Wilson

COMMITTEE CALENDAR

HOUSE BILL NO. 310

"An Act extending the deadline for authorizing school construction debt reimbursed by the state."

-HEARD & HELD

HOUSE BILL NO. 295

"An Act relating to the grant of certain state land to the University of Alaska; relating to the duties of the Board of Regents; relating to deposits made to the Alaska permanent fund received from certain lands conveyed to the University of Alaska; ratifying and reauthorizing certain prior conveyances of land to the University of Alaska; making conforming amendments; and providing for an effective date."

-HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 310

SHORT TITLE: SCHOOL CONSTRUCTION DEBT REIMBURSEMENT

SPONSOR(S): EDUCATION

01/19/10	(H)	READ THE FIRST TIME - REFERRALS
01/19/10	(H)	EDC, FIN
01/29/10	(H)	EDC AT 8:00 AM CAPITOL 106

BILL: HB 295

SHORT TITLE: UNIVERSITY LAND GRANT
SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/19/10	(H)	READ THE FIRST TIME - REFERRALS
01/19/10	(H)	EDC, RES, FIN
01/27/10	(H)	CRA REFERRAL ADDED AFTER EDC
01/29/10	(H)	EDC AT 8:00 AM CAPITOL 106

WITNESS REGISTER

KATIE KOESTER, Staff
Representative Paul Seaton
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 310 on behalf of the sponsor,
the House Education Standing Committee.

SAM KITO, School Facilities Engineer
Department of Education and Early Development
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions during
discussion of HB 310.

MARY FRANCIS, Executive Director
Alaska Council of School Administrators (ACSA)
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 310.

DAVE JONES, Assistant Superintendent
Kenai Peninsula Borough School District
Soldotna, Alaska

POSITION STATEMENT: Testified in support of HB 310.

DICK MYLIUS, Director
Central Office
Division of Mining, Land and Water
Department of Natural Resources (DNR)
Anchorage, Alaska

POSITION STATEMENT: Testified and answered questions during
discussion of HB 295.

ANNE NELSON, Assistant Attorney General
Natural Resources Section
Civil Division (Anchorage)
Department of Law (DOL)
Anchorage, Alaska

POSITION STATEMENT: Answered questions during discussion of HB 295.

DEB SPENCER, Owner
Shoreline Incorporated
Pelican, Alaska

POSITION STATEMENT: Testified in opposition to HB 295.

NORM CARSON, President
Pelican Chamber of Commerce
Pelican, Alaska

POSITION STATEMENT: Testified in opposition to HB 295.

STEVEN LEWIS, Community Representative
Tenakee Springs, Alaska

POSITION STATEMENT: Testified to support of HB 295 after the removal of the controversial parcels.

JOAN MCBEEEN
Tenakee Springs, Alaska

POSITION STATEMENT: Stated opposition to the inclusion of a Tenakee Springs parcel in HB 295.

STEVEN TODD
Wrangell, Alaska

POSITION STATEMENT: Testified during discussion of HB 295.

MIKE SALLEE
Ketchikan, Alaska

POSITION STATEMENT: Testified during discussion of HB 295.

WENDY REDMAN, Executive Vice President
University of Alaska
Fairbanks, Alaska

POSITION STATEMENT: Testified and answered questions during discussion of HB 295.

MARY IRVIN
Juneau, Alaska

POSITION STATEMENT: During hearing of HB 295, urged the committee to remove the Sumdum parcel.

CAROL RUSHMORE, Economic Development Director
Wrangell, Alaska

POSITION STATEMENT: Testified during the discussion on HB 295.

ACTION NARRATIVE

[8:02:49 AM](#)

CHAIR PAUL SEATON called the House Education Standing Committee meeting to order at 8:02 a.m. Representatives Seaton, Munoz, Gardner, Buch, and Edgmon were present at the call to order.

[8:02:58 AM](#)

HB 310-SCHOOL CONSTRUCTION DEBT REIMBURSEMENT

[8:03:22 AM](#)

CHAIR SEATON announced that the first order of business would be HOUSE BILL NO. 310, "An Act extending the deadline for authorizing school construction debt reimbursed by the state."

[8:04:44 AM](#)

KATIE KOESTER, Staff to Representative Paul Seaton, Alaska State Legislature, explained that HB 310 provides the third extension period for the existing program, carrying it through November 30, 2013. She pointed to the flow chart, in the committee packet, as an illustration of the debt bond reimbursement program. She indicated the school house figure on the left of the chart and noted the two versions for bond funding: either the state reimburses 60 percent or 70 percent of the bond with the municipality responsible for the balance. She explained that the program funding qualifications for reimbursement are primarily determined by the space and construction regulations in 4AAC.31.020. She pointed out that the Department of Education and Early Development (EED) make this decision. She described the ballot stage of a bond project, explaining that voter approval allows a municipality to offer bonds, and then moves forward with the building project.

[8:09:11 AM](#)

CHAIR SEATON clarified that the funding commitment for reimbursement is for the life of the project.

MS. KOESTER concurred, and detailed that most bonds are for 20 years. She pointed out that some of these bonds are still active and that the payments are accounted for in the operating section of the state budget; approximately \$106 million for this year.

8:10:12 AM

REPRESENTATIVE MUNOZ asked for an explanation of the Capital Improvements Projects table, noting that the initial Voter Amounts shows \$0.

8:10:50 AM

SAM KITO, School Facilities Engineer, Department of Education and Early Development (EED), explained to the committee that the Capital Improvements Projects table is the debt report, and is updated when there are changes to the debt program. He directed attention to the Voter Amount column, and disclosed that a \$0 amount indicates bonds that were not approved by voters. He said that the table indicates approval by the EED. In further response to Representative Munoz, he replied that both voter approval and EED approval of a bond is required prior to the release of funds.

8:12:18 AM

CHAIR SEATON inquired whether legislative approval for appropriation of bond debt reimbursement is also required.

MR. KITO specified that legislative approval is "a follow-on" as a project agreement is written immediately after completion of voter and EED approval. He clarified that a project agreement contains a school district agreement that the state will pay "subject to the appropriation of the legislature," and that EED payment is prorated to the amount appropriated.

8:13:25 AM

REPRESENTATIVE BUCH asked for clarification of the Comments column on the table.

MR. KITO replied that the projects are approved in groups, so the written comments are a shorthand notation referencing all the projects with the same date in the Department Approval column.

8:14:42 AM

REPRESENTATIVE EDGMON asked if the \$106 million program operating budget is a record high.

MR. KITO said yes, and observed that it had been slowly increasing.

8:15:56 AM

REPRESENTATIVE MUNOZ asked if the operating budget includes projects approved by EED, though not yet approved by voters.

MR. KITO stipulated that occasionally debt service requests, which were placed in the operating budget considerations, were not submitted by the October 15th deadline. He shared that if EED was aware of a project expenditure that it would include an estimate in the budget request.

8:17:21 AM

REPRESENTATIVE EDGMON agreed that the program has been successful and he shared his support. Noting that a number of municipalities have denied bond programs, he asked if there was an election pattern for multiple requests before approval.

MR. KITO shared that some of the smaller communities have recently experienced difficulty with bond approval, but he knew of no predictable trend.

8:19:10 AM

CHAIR SEATON directed attention to the handout detailing Sec. 14.07.020, and described the guidelines for planning educational facilities. He continued, referring to Sec. 14.11, and observed that the bond program generally dovetails with construction grants. He referred to the two Capital Improvement Projects handouts for the Initial Agency Decision and the Reconsideration List, and asked the committee to review these for recommendations during the next committee hearing.

8:21:44 AM

CHAIR SEATON opened public testimony.

8:22:01 AM

MARY FRANCIS, Executive Director, Alaska Council of School Administrators (ACSA), said that ACSA was supportive of the continuation of this program. She submitted a position statement of support, for inclusion in the committee packet.

[8:23:25 AM](#)

DAVE JONES, Assistant Superintendent, Kenai Peninsula Borough School District, testified in support of HB 310, and urged passage of the bond program extension.

CHAIR SEATON said that the bill would be held, and public testimony would remain open. [HB 310 was held over.]

HB 295-UNIVERSITY LAND GRANT

[8:24:31 AM](#)

CHAIR SEATON announced that the next order of business would be HOUSE BILL NO. 295, "An Act relating to the grant of certain state land to the University of Alaska; relating to the duties of the Board of Regents; relating to deposits made to the Alaska permanent fund received from certain lands conveyed to the University of Alaska; ratifying and reauthorizing certain prior conveyances of land to the University of Alaska; making conforming amendments; and providing for an effective date."

[8:25:14 AM](#)

DICK MYLIUS, Director, Central Office, Division of Mining, Land and Water, Department of Natural Resources (DNR), explained that HB 295 would transfer 200,000 acres of state land to the University of Alaska. He shared that the previous bill, passed in 2005, was found to be unconstitutional because the revenues from the land went into a dedicated fund. He said that HB 295 had resolved this by directing the funds into the general fund as university receipts. He pointed out that the university was a land grant university and noted that the federal land grant for the university was the second smallest ever given. He conveyed that the U.S. Congress had given the State of Alaska a large land grant in 1959, and since that time, there had been interest in transferring some of that land to the University of Alaska. He summarized a history of past legislation attempting the land transfer.

[8:28:37 AM](#)

MR. MYLIUS affirmed that legislation passed in 2000, which was subsequently upheld by the court, granted 250,000 acres to the University of Alaska, but it did not specify which lands. He specified that the legislation included a list of types of land

which could not be transferred. He explained that DNR and the University of Alaska conferred, drafted a list of land parcels, and submitted this list to the legislature for approval. He reported that this list, included in House Bill 130, was passed by the legislature, and signed by Governor Murkowski in 2005. When DNR attempted to implement the bill, a suit was filed by Southeast Alaska Conservation Council (SEACC), and an injunction was filed to stop the land transfers. He stipulated that HB 295 transfers almost 200,000 acres of land to the University of Alaska. This included 29 parcels of land in Southeast Alaska, 5 parcels in Southcentral Alaska, and 18 parcels in Interior Alaska. He reported that HB 295 also includes transfer of educational properties, currently in use by the University of Alaska. He announced that HB 295 had excluded 9 parcels from the 2005 bill.

[8:31:41 AM](#)

MR. MYLIUS directed attention to a transfer delay for another nine land parcels to allow Wrangell and Petersburg the opportunity to form boroughs, which would allow these communities to select that land under the Municipal Entitlement Act (AS 29.65.010-140).

[8:32:17 AM](#)

CHAIR SEATON asked if the nine parcels removed from the earlier bill had been added back in to HB 295.

MR. MYLIUS replied that the parcels were not included in HB 295.

[8:32:49 AM](#)

MR. MYLIUS detailed the two exceptions to the decision in House Bill 130, which were transferred: a parcel of land near Fairbanks, the University Research Forest, which was an educational property with a restriction on re-sale; and two small parcels near Fairbanks which were transferred under authority from the Department of Transportation & Public Facilities.

[8:34:32 AM](#)

REPRESENTATIVE GARDNER asked if there are any legal questions with the bill.

[8:35:12 AM](#)

ANNE NELSON, Assistant Attorney General, Natural Resources Section, Civil Division (Anchorage), Department of Law (DOL), replied that HB 295 removes an earlier provision that dedicated revenue. She stated that the bill addresses any and all legal concerns.

[8:37:49 AM](#)

MR. MYLIUS, in response to Representative Buch, explained the criteria for choosing the land parcels. He said that DNR land use plans were considered and no land was offered which had previously been designated oil and gas property, had restrictions from Senate Bill 7, or were designated for development by DNR.

[8:39:18 AM](#)

REPRESENTATIVE BUCH asked if there had been any consideration to land adjacent to water, which could be developed for mariculture.

MR. MYLIUS replied that DNR had only transferred upland parcels, and had retained any land which had been identified "for public-type development."

REPRESENTATIVE BUCH asked about the DNR projected intent for the University development of the land.

MR. MYLIUS replied that it varied to each land parcel, and he disclosed that the University of Alaska would have access to the mineral resources. He pointed to a few parcels which had mineral resources, but he noted that most of the land would be for surface land development, such as recreation or land sale.

[8:43:30 AM](#)

DEB SPENCER, Owner, Shoreline Incorporated, stated that HB 295 would displace her fish buying station, which was permitted by DNR. She confirmed that Pelican was struggling economically, and that HB 295 would divert the fisheries business tax. She emphasized that Pelican had been opposed to the bill five years prior, and was now opposed to HB 295. She directed attention to the borough formation language in the bill which was used to mitigate the impacts of use of this parcel, noted that Pelican had

never requested borough formation, and stressed that it was contrary to the needs of Pelican residents. She established that 30 percent of the Pelican state land base was already distributed. She called attention to the DNR Northern Southeast Area Plan - October 2002, noted that this parcel had not been designated for DNR development, and conveyed that the parcel had been designated "Ru-Public Recreation and Tourism-Undeveloped." She read from Chapter 3, Page 3-4 of the plan: "These lands cannot be sold to individuals." She offered her support for funding to the University of Alaska, but she requested that the parcel designated PA1002, Mite Cove, be removed from the proposed HB 295.

REPRESENTATIVE BUCH referred to the University of Alaska Land Grant List 2005, which indicated that the Pelican parcel was deleted by the legislature from the 2002 land list.

MS. SPENCER agreed that the two adjacent parcels were deleted, but that the Mite Cove parcel, located in Lisianski Inlet, was not.

[8:49:21 AM](#)

REPRESENTATIVE GARDNER asked Ms. Spencer if she would support the bill should this parcel be deleted.

MS. SPENCER offered her belief that other parcels were also controversial and she would appreciate a review of all of these. She opined that the land base was still sufficient without including these controversial parcels.

[8:50:28 AM](#)

NORM CARSON, President, Pelican Chamber of Commerce, paraphrased from a prepared statement, which read as follows [original punctuation provided]:

Within HB 295 there is a 320 acre parcel of land identified as "Mite Cove/Ewe Ledge." The nearest communities to this parcel are Elfin Cove, approximately 8 miles to the North across a portion of Cross Sound and Pelican, approximately

13 miles South on Lisianski Inlet and on the opposite shoreline.

The Mite Cove/Ewe Ledge parcel should be removed from HB 295 for the following reasons:

There is no potential for hydro power on the parcel; any development will be totally dependent upon diesel generation for electricity. The nearest hydro power is at Pelican; it is not economically feasible to run a line to this location.

Pelican is presently upgrading its hydro. By next August the new penstock will be in place and the Utility will need electricity users to help reduce the Kilowatt cost. Land offered adjacent to Pelican will have greater value and development would utilize the Utility and consequently lower the rates.

The Mite Cove/Ewe Ledge area is continually utilized during the summer and shoulder season months in a passive manner by the local tourism businesses, local residents, and out of town visitors. This use is in the form of anchoring, picnics, hiking, scenic photography, and hunting. As a person involved in tourism I would like to see development kept closer to the communities.

The bight at Ewe Ledge has been utilized by a floating commercial fish buying operation for the past 25 years; between July and late September an average of 30 commercial fishing boats congregate in this area daily. The potential for conflict with new land users is significant.

The isolation of the Mite Cove/Ewe Ledge parcel will make any development likely to be for seasonal use, this will not benefit the nearby communities with year round residents.

The Mite Cove/Ewe Ledge parcel is located on a route utilized by commercial fishing and recreational boats as they travel up and down the coast. From my experience in law enforcement I foresee a great problem of theft and vandalism for any property owners that leave their buildings unattended.

For all the foregoing reasons this parcel is not a good deal for the University, potential investors, nor the closest communities to this site.

[8:53:43 AM](#)

STEVEN LEWIS, Community Representative, said that the community of Tenakee Springs opposed the current version of HB 295, but supported the goals of the bill. He paraphrased from prepared statement, which read as follows [original punctuation provided]:

Tenakee Springs is a small isolated community in Northern SE Alaska. With a population of about 100 people, it is not connected to any road system & is accessible only by ferry or boat or float plane.

With a relatively undeveloped infrastructure and small population, the impacts of developing the one parcel of two sections of 17 and 3 acres would be huge for Tenakee, overwhelming in fact. This acreage would have relatively little impact on the overall acreage in the bill's nearly 200,000 acres, which are important for University.

For this reason, we request that any parcels in Tenakee Springs be removed from the bill.

[8:55:20 AM](#)

REPRESENTATIVE BUCH stipulated that the Tenakee Springs parcel was ST 1003.

[8:56:08 AM](#)

MR. LEWIS added that the smaller parcel over the harbor uplands would inhibit access to the harbor breakwater and barge landing facility which Tenakee Springs is planning to develop.

[8:56:47 AM](#)

REPRESENTATIVE MUNOZ said that she had received correspondence from the Mayor of Tenakee Springs regarding the harbor parcel, but that no opposition had been indicated to the other site. She asked if Tenakee Springs has an official position on either parcel.

MR. LEWIS replied that the Mayor had requested opposition to both parcels.

REPRESENTATIVE MUNOZ asked for an official resolution.

MR. LEWIS said that a resolution would be provided shortly.

CHAIR SEATON noted that it will be included in the bill package.

[8:58:13 AM](#)

REPRESENTATIVE BUCH asked about the ferry schedule into Tenakee Springs.

MR. LEWIS replied that the ferry arrives twice a week, and it was usually a four to eight hour trip. Additionally, he mentioned that barge service occurs two to four times each year. He opined that development of the breakwater would make it easier for the barge companies.

[8:59:46 AM](#)

REPRESENTATIVE GARDNER, reflecting that local concerns are important, pointed out the disparity of community needs and asked how the legislature could reconcile these differences.

MR. LEWIS offered his belief that individual determinations would need to be scrutinized.

REPRESENTATIVE GARDNER agreed that it is difficult to appease each community.

[9:01:28 AM](#)

CHAIR SEATON reiterated that the committee takes public testimony seriously, and that specific concerns are helpful to form appropriate legislation.

[9:02:33 AM](#)

JOAN MCBEEN paraphrased from a prepared statement, which read as follows [original punctuation provided]:

I am concerned about the transfer of a parcel of land in Tenakee Springs to the U of A. This parcel is within the city limits and is used extensively by the residents & visitors to Tenakee. It is a subsistence area & recreation area & used for commercial trapping. My husband and I have hunted & hiked the area over the thirty years we've lived in Tenakee. We are concerned about the impact that the transfer of this parcel will have on our tiny community and our dependence on undisturbed, accessible land for our hunting, gathering and commercial use. We are also concerned about the financial burden placed upon Tenakee for education. I request the removal of this Tenakee parcel from the University Land Grant.

[9:05:01 AM](#)

CHAIR SEATON asked if the testimony was for both the parcels.

MS. MCBEEN replied that it was.

[9:05:56 AM](#)

STEVEN TODD stated support of full funding for the University of Alaska, but expressed concern with two parcel listings in HB 295: CSOV 1001, Olive Cove and SD 1001, Thoms Place. He explained that these two parcels were

adjacent and upslope to homeowners and were traditionally used for subsistence. There was a concern that the land would be used for an extensive forestry harvest, and he mentioned the Wrangell community resentment to the land use by the Alaska Mental Health Trust Authority. He opined that the land revenue generated was minimal, but the effect on the communities was extensive. He reflected on the Municipal Entitlement Act and the availability of these parcels for Wrangell.

[9:09:14 AM](#)

REPRESENTATIVE BUCH asked if there was any commercial development planned for either of these parcels.

MR. TODD replied that neither parcel has current commercial development. He also noted that the anadromous fish streams are used primarily for subsistence and community purposes.

[9:10:30 AM](#)

CHAIR SEATON asked that testifiers share any land classification information.

[9:11:27 AM](#)

MIKE SALLEE paraphrased from a prepared statement, which read as follows [original punctuation provided]:

My name is Mike Sallee. I was born in and reside in Ketchikan.

I have owned & operated a small sawmill across Moser Bay from one of the parcels to be transferred by this bill. For most of the last 3 decades, I've provided rough sawn lumber for homes and other projects for nearly all those people who reside in the immediate area.

I'd hoped the sponsors of this bill would have heeded objections to inclusion of certain parcels before reintroducing the bill. It seems the sponsors don't have much respect for the efforts

citizens have put into researching and commenting on State Area Plans and Coastal Zone Management plans among other venues for public input on local land use.

Generally, I support the University of Alaska, I have a degree from that institution. I'm not opposed to granting U of A means to generate income.

However, more specifically - the Moser Bay parcel contains a great deal of steep, landslide-prone shoreline, not very suitable for homesites. Indeed, those slide-prone shores have yielded a small but sustainable source of firewood for local residents and the occasional saw log for my nearby mill.

The Moser Bay parcel contains a recreation trail to Wolf Lakes, important estuarine areas for fish & wildlife, access to uplands for local deer hunters & trappers, & relatively untouched landscapes & viewsheds for small commercial tour boats that ply the area in summer. I believe I understand some adjacent borough lands are encumbered as wetlands mitigation for local coast zone management.

It would be a travesty to clear-cut the parcel as the University did on Slide Ridge near Whipple Creek & the Mountain Point area - both on Ketchikan's road system. A selective helicopter harvest is little better though less visually impacting. Helicopter harvest has trashed areas with limbs topes, & whole discarded trees that don't make the grade to justify the expense of helicopter removal. Evidence of helicopter harvest is quite abundant on Mental Health lands in Bear Valley, Minerva Mtn. trail and the Tongass Narrows side of California Ridge on Gravina Id. Worse - much of the timber helicopter-logged was round-log exported bleeding future jobs from the local economy.

For such a miniscule return to the University's overall budget, transfer of those parcels in the Ketchikan area make little sense, and will place undue burden on local citizens.

[9:14:12 AM](#)

CHAIR SEATON asked how far the Moser Bay parcel is from Ketchikan.

[9:14:17 AM](#)

MR. SALLEE replied that it is about twenty miles and apologized that he did not have the parcel details. In further response, he said that he has resided on a peninsula separating Mosier Bay from Clover Pass, and from Grant Island.

[9:15:27 AM](#)

REPRESENTATIVE BUCH asked how he acquired the logs he milled.

MR. SALLEE explained that he collected blow down and tidal wash-ups, and that he received wood to mill from people in the area who had cleared property. He shared that he ranged about 50 miles for logs.

[9:17:38 AM](#)

WENDY REDMAN, Executive Vice President, University of Alaska, stated that many of those who opposed the university land bill were often supporters of the university. She pointed out that conflict arises when attempting to put Alaska lands into development, while preserving recreational and subsistence usage. She affirmed that the university, as a land grant university, relied on the land grants, and she gave a brief history of the conveyance of land to the university. She stated that the university generated about \$10 million per year from development of the lands that they hold, including residential, commercial, mineral, and recreational. She

stated that the earnings paid tuition for 1000 students through a scholarship program.

[9:22:44 AM](#)

MS. REDMAN determined that the land in this bill was carefully selected as land previously designated by DNR for development, and it was divided into three parts: educational lands, Nenana oil and gas development lands, and other recreational and residential lands. She shared that the university desired that HB 295 be passed in order to access the lands. She opined that it was a responsible land management program. She disclosed that the Supreme Court ruling was a surprise, but that HB 295 allowed the revenues to be returned to the legislature and be appropriated to the university. She compared the revenue from the development of land grants with that revenue from private funds, in that all the monies had to be appropriated back to the university from the legislature. She shared that it was a disincentive for the university to raise private funding if that allocation was offset by a decrease in general fund allocations.

[9:26:33 AM](#)

REPRESENTATIVE GARDNER suggested that it was a valid concern for re-appropriation of the funding.

[9:27:37 AM](#)

MS. REDMAN opined that the university could not support itself on the earnings from the land grant. She endorsed this funding to be a margin above the normal operating costs.

[9:29:08 AM](#)

REPRESENTATIVE GARDNER asked about any impact to the long term plans if the controversial parcels were removed.

MS. REDMAN ascertained that any land to develop for income was better than none. She considered this bill to be the best approach.

9:31:16 AM

REPRESENTATIVE BUCH asked about any other obstacles that were overcome to recognize these obligations.

9:32:03 AM

MS. REDMAN reflected on when the university chose to sue the state and DNR in order to take back the land management. She offered to provide a copy of the Terrance Cole book to the committee.

9:33:30 AM

MARY IRVIN, paraphrased from a prepared statement, which read as follows [original punctuation provided]:

Good morning members of the Committee. As a 20-something resident of the State of Alaska, I want to thank you for the opportunity to speak to you this morning about this important piece of legislation.

I would like to be very clear. I am a strong supporter of the University of Alaska. Although I received both my undergraduate and graduate degrees outside at private institutions, I have taken many rigorous classes at UAS, several fun classes at UAS, and I served the University for several years as an instructor for ED593, a continuing education course. I truly wish our university system had more financial stability and support in many ways. I find it regrettable that our university professors - especially adjunct professors - are underpaid.

However, I am here this morning to respectfully request that you please consider exempting a small 5-acre parcel from this funding bill. In the alternative, I'm requesting that you ask DNR to provide you with a different, alternative 5-acre choice parcel for inclusion in this bill, instead of the 5-acre parcel named...Sumdum.

The 5-acre parcel known as Sumdum is a parcel of land about 40 miles south of where we are right now, and it contains the mouth of an extremely productive salmon stream, AND a historic cultural site important to many Tlingit people and many mining history scholars as well. The parcel is on the site of the old fish camp just across the inlet to Endicott Arm, from where the Soundon People lived in 6 large clanhouses. Several of the clanhouses in this area have been specifically documented - they were Black Bear House, the Glacier House, and others, the people of which, drew fish from this stream for thousands of years.

The parcel is also the direct site of the old 1879 - 1903 townsite of Sumdum. ON record at the University of Alaska itself is a PhD thesis on what makes this area so historically compelling as to be reserved as an intriguing and culturally diverse site! The thesis documents some of the cultural exchange that makes this area such an interesting one, historically and culturally, to study. Although it was used for thousands of years by Tlingit "people of the sparkling green water" as a fish camp, ...later in history, during the early gold mining days, one of the first towns in "American Alaska" - consisting of several hundred souls - sprang up - some Tlingits but also new gold miner immigrants to Alaska as well. Cabins went up, a huge bunkhouse for the miners, a laundry, cookhouse and "American Alaska's" first brewery, to serve the booming area. A corduroy road and tram system with horses and ore carts were put in place, and tunnels - to blast the hard rock out of the earth - penetrated deep into the hills. The Presbyterian missionary Samuel Hall Young stopped here, another time, officers with the US Geographic Survey stopped here in the 1890's, and throughout the years of its heyday, there was a United States Post Office staffed here.

Members of the Committee,

How do we value a salmon stream? How do you put a price on still-WILD runs of natural salmon that have nourished people in this area for thousands of years? Can we? Should we?

Moreover, how do we value the PUBLIC history of a diversity of people _ Tlingit and later Alaskans alike, interacting together, getting used to each other, experiencing each other and learning to live and work together in a certain place, in a certain time? Can we value this? Should we value this?

I believe we should value such things - maybe even put fiscal values on them - since we will be taking these out of the PUBLIC domain which benefits all Alaskans, and PRIVATIZING them for the benefit of those individuals able to avail themselves of our excellent university system.

I believe the Department of Natural Resources is the correct agency to manage this 5-acre parcel. Sumdum should remain rightly placed within DNR, and not be transferred to the real estate agents of the Lands Office for "disposal" to the highest bidder. This 5-acre parcel is a priceless Alaskan treasure that I'm not sure the real estate agents in the Lands Office at the University have any clear idea as to how to place a value on it, let alone manage it, as effectively as DNR has done over the past many years.

[9:39:29 AM](#)

MS. IRVINE stopped her testimony, and interjected that this parcel was a state registered archeological site of record.

[9:39:54 AM](#)

MS. IRVINE continued with her testimony:

Perhaps I'm wrong - perhaps the fishing industry from Washington and Oregon would pay a darn fair price for one of our salmon streams. Or perhaps

the Tourism industry would be happy to pay a fair price for a 5-acre parcel in order to put another zipline over the mouth of this salmon stream or one more tee shirt shop in place, en route to wherever it is they are going in such a big hurry on their vacations to Alaska.

I submit that Alaskans would appreciate at least your at least attaching a fiscal note value to a bill that removes a salmon stream OUT of the PUBLIC DOMAIN and gives it over to the realtors in the fundraising business.

I also submit that our summer visitors are coming to learn about just such history as the PUBLIC history that the little 5-acre parcel named Sumdum can offer to us Alaskans, and that we in turn can value and offer to them.

Would you please consider looking further into EXEMPTING the small 5-acre parcel called Sumdum from this bill?

[9:41:16 AM](#)

CHAIR SEATON clarified the parcel number as SD 1001.

[9:41:25 AM](#)

REPRESENTATIVE GARDNER asked if the university would view this five acre parcel as an historical site.

MS IRVINE replied that the university had already been approached. She suggested that the University of Alaska ask DNR for the site to be designated for academic use as that would protect the parcel from development. She shared that the University had not shown much interest in the Sumdum parcel for academic use.

[9:44:00 AM](#)

CHAIR SEATON affirmed that DNR would supply the information regarding the current land use planning classification of the parcels.

[9:44:31 AM](#)

CAROL RUSHMORE, Economic Development Director, paraphrased from a prepared testimony, which read as follows [original punctuation provided]:

Wrangell participated in the 2005 legislative process on HB 130. Our comments at that time were mostly concerned with 3 parcels of lands that the University had selected which were lands that we, as a potential borough, would also be interested in selecting under the entitlement program.

The committee took an at-ease from 9:45 a.m. to 9:52 a.m.

[9:52:33 AM](#)

MS. RUSHMORE continued with her testimony.

Those parcels are Thoms Place, Olive Cove and Earl West Cove. We were also concerned whether portions of these University selections were in the best interest to the borough and residents for selection by the University.

As you know, Wrangell was successful in incorporating as a borough in May 2008.

In the previous bill, if we formed a borough before July 2009, we were given until January 1, 2013 to make our entitlement selections. That is the premise that we have been planning under since working to form a borough. In the current bill, HB 295, that date has been moved up to Dec. 1, 2011.

We have been working diligently over the last year on our borough wide comprehensive plan and zoning ordinance. We are also tackling other planning and zoning efforts, developing relationships with residents in the outlying areas and developing our goals and policies for the future of the borough. We are working on our borough organization

efforts, and respectfully request that the CBW is given until January 1, 2013 to make our selection regarding land within the parcels of Thoms Place, Olive Cove, and Earl West Cove.

We have a responsibility to our borough landowners and residents to make sure we can remain an economically sustainable borough. It is challenging to make the selections necessary to meet our goals and policies that are being developed during our comprehensive planning process. We have also introduced legislation HB273 requesting additional acreage than the amount DNR indicates is our entitlement, in order to provide for our future economic growth. The selection process is not a task we take lightly, and we want to make sure that we get it right for our residents -selecting lands that will help us address our resource development, public infrastructure development opportunities, cultural resources, valuable habitat areas, and additional settlement opportunity goals.

We also have some concerns regarding the University's selection for some portions of these three parcels, concerns of their development plans in these areas, potential impacts of the University's use of these lands could have to habitats, cultural resources, recreation, public infrastructure development and the subsistence lifestyle of the residents. We are working on our comprehensive plan to try and address these concerns regardless of who selects the land.

Earl West Cove parcel is designated GU in the Central SE Area Plan, includes timber lands, LTF, recreational site, deep water access.

Thoms Place is designated HA, S, and GU

Olive Cove is designated GU and RU

[9:57:48 AM](#)

MS. RUSHMORE replied that the date was now December 1, 2011, as written on Page 9, line 7 of HB 295.

MR. MYLIUS explained the time deadline for the borough formation process contained in the Municipal Entitlement Act. He agreed that there would be a conflict between statutes if a time change were made in the bill.

[9:59:46 AM](#)

MR. MYLIUS reported that not all the land parcels are designated with area plans, but he clarified that none of the parcels are designated for future state parks. He pointed out that land use plans are for management during the next 20 years, but only some parcels reflected further planning. He directed attention to the land use designations and classifications in the University of Alaska Land Grant List 2005, and emphasized that all the transfers are subject to existing state laws, and specified that anadromous streams and archaeological resources in the Sumdum parcel are protected. He acknowledged that DNR has not actively managed the Sumdum parcel, and opined that the University of Alaska could put it to use.

[10:02:07 AM](#)

MR. MYLIUS, in response to Representative Munoz, agreed to submit the archaeological and historical resource information for the Sumdum parcel.

[10:02:27 AM](#)

REPRESENTATIVE GARDNER asked if it would be practical for a covenant on the Sumdum parcel.

MR. MYLIUS replied that the legislature had the ability to do that.

[10:02:54 AM](#)

CHAIR SEATON shared that the maps in the Land Grant list were alphabetized.

MR. MYLIUS noted that it was alphabetical within each region. He pointed out that any valid existing business authorization was included with the land transfer. He offered his belief, however, that the fish buying station mentioned earlier was subject to the state tidelands authority.

MR. MYLIUS observed that the land transfer did not transfer water rights, which were still administered by DNR and would still be valid.

[10:04:27 AM](#)

CHAIR SEATON stated that the bill would be held, and public testimony would remain open. [HB 295 was held over.]

[10:04:44 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Education Standing Committee meeting was adjourned at 10:04 a.m.