

ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE

April 9, 2009

1:09 p.m.

MEMBERS PRESENT

Representative Craig Johnson, Vice Chair
Representative Kyle Johansen
Representative Cathy Engstrom Munoz
Representative Mike Doogan
Representative Max Gruenberg

MEMBERS ABSENT

Representative Peggy Wilson, Chair
Representative John Harris

COMMITTEE CALENDAR

SENATE BILL NO. 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."

- MOVED SB 165 OUT OF COMMITTEE

SENATE BILL NO. 25

"An Act naming the South Mitkof Island ferry terminal the Richard 'Dewey' Duvall Ferry Terminal."

- MOVED SB 25 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 165

SHORT TITLE: AUTHORIZING TRANSFER OF RAILROAD LAND

SPONSOR(s): SENATOR(s) ELLIS

03/25/09	(S)	READ THE FIRST TIME - REFERRALS
03/25/09	(S)	CRA
03/31/09	(S)	CRA AT 3:30 PM BELTZ 211
03/31/09	(S)	Moved SB 165 Out of Committee
03/31/09	(S)	MINUTE(CRA)
04/01/09	(S)	CRA RPT 4DP 1NR
04/01/09	(S)	DP: FRENCH, THOMAS, KOOKESH, MENARD
04/01/09	(S)	NR: OLSON

04/03/09 (S) TRANSMITTED TO (H)
04/03/09 (S) VERSION: SB 165
04/06/09 (H) READ THE FIRST TIME - REFERRALS
04/06/09 (H) TRA
04/09/09 (H) TRA AT 1:00 PM CAPITOL 17

BILL: SB 25

SHORT TITLE: RICHARD DEWEY DUVALL FERRY TERMINAL
SPONSOR(s): SENATOR(s) STEDMAN

01/21/09 (S) PREFILE RELEASED 1/9/09
01/21/09 (S) READ THE FIRST TIME - REFERRALS
01/21/09 (S) TRA, FIN
02/10/09 (S) TRA AT 1:00 PM BUTROVICH 205
02/10/09 (S) Moved SB 25 Out of Committee
02/10/09 (S) MINUTE(TRA)
02/11/09 (S) TRA RPT 5DP
02/11/09 (S) DP: KOOKESH, MENARD, DAVIS, MEYER,
PASKVAN
02/27/09 (S) FIN AT 9:00 AM SENATE FINANCE 532
02/27/09 (S) Heard & Held
02/27/09 (S) MINUTE(FIN)
03/27/09 (S) FIN AT 9:00 AM SENATE FINANCE 532
03/27/09 (S) Moved SB 25 Out of Committee
03/27/09 (S) MINUTE(FIN)
03/30/09 (S) FIN RPT 5DP
03/30/09 (S) DP: HOFFMAN, STEDMAN, HUGGINS, THOMAS,
ELLIS
04/03/09 (S) TRANSMITTED TO (H)
04/03/09 (S) VERSION: SB 25
04/06/09 (H) READ THE FIRST TIME - REFERRALS
04/06/09 (H) TRA, FIN
04/09/09 (H) TRA AT 1:00 PM CAPITOL 17

WITNESS REGISTER

JESSE CROSS-CALL, Staff
Senator Johnny Ellis
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified on SB 165, on behalf of the prime sponsor, Senator Johnny Ellis.

BOB FRENCH, Co-Vice President
Government Hill Community Council
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 165.

WENDY LINDSKOOG, Assistant Vice President, Corporate Affairs
Alaska Railroad Corporation (ARRC)
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the discussion of
SB 165.

JAMES KUBITZ, Vice-President, Real Estate
Alaska Railroad Corporation (ARRC)
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the discussion of
SB 165.

RON POLLOCK, Executive Director
Anchorage Community Development Authority (ACDA)
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the discussion of
SB 165.

WESTON EILER, Staff
Senator Bert Stedman
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SB 25, on behalf of the prime
sponsor, Senator Bert Stedman.

MARY SIROKY, Legislative Liaison
Office of the Commissioner
Department of Transportation & Public Facilities (DOT&PF)
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions during the
discussion of SB 25.

ACTION NARRATIVE

[1:09:39 PM](#)

VICE-CHAIR JOHNSON called the House Transportation Standing
Committee meeting to order at 1:09 p.m. Representatives Doogan,
Gruenberg, and Johnson were present at the call to order.
Representatives Johansen and Munoz arrived as the meeting was in
progress.

[1:09:43 PM](#)

SB 165-AUTHORIZING TRANSFER OF RAILROAD LAND

VICE CHAIR JOHNSON announced that the first order of business would be SENATE BILL NO. 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."

[1:09:48 PM](#)

JESSE CROSS-CALL, Staff, Senator Johnny Ellis, speaking on behalf of Senator Johnny Ellis, the prime sponsor of SB 165, explained that the bill would authorize the Alaska Railroad Corporation to exchange two parcels of land on Government Hill in Anchorage for land owned by the Municipality of Anchorage (MOA). The parcel of land to be exchanged is located on 3rd Avenue between the A and C street couplet. He related that the ARRC has worked with the MOA and the Government Hill Community Council on this exchange. The bill has a zero fiscal note.

JESSE CROSS-CALL provided a section-by-section analysis of the bill. He referred to Section 1 of the bill, which describes the 1.93 acres of rail land and the specific parcel description with an appraised market value of \$480,000. He related that the MOA would own the land after the trade and could subsequently subdivide or sell the parcel. The second parcel of land is one fifth of an acre near Government Hill Elementary School. The Anchorage School District would use the land to design a safer entrance to the Government Hill Elementary School. The parcel has an appraised market value of \$122,000.

JESSE CROSS-CALL explained that proposed Section 2 provides the purpose of the land transfer. The first parcel is surrounded by MOA owned or controlled land that is currently being redeveloped into a residential subdivision, and the transfer of the property will allow the area to be subdivided and more efficiently incorporated into the overall redevelopment plan. The second parcel will enable the MOA to develop safe and reasonable access to the Government Hill Elementary School. He explained that proposed Section 3 of the bill will allow the MOA to transfer land located on 3rd Avenue between the A and C street couplet in Anchorage and allows the ARRC to accept fee simple title to the land. The land is currently used for parking and is managed by the Downtown Parking Authority and is valued at \$645,000. He referred members to a map in members' packets that highlight the land to be exchanged. He indicated the specific parcel of land is marked in red on the bottom of map.

1:14:30 PM

MR. CROSS-CALL also pointed out that although the value of the land that the MOA is proposing to trade is valued at \$602,800, the MOA has stated it will not request additional consideration for the difference in the property value.

1:15:27 PM

REPRESENTATIVE GRUENBERG recalled the area, and referred to Block B, tract A of the parcel, which previously was the site of an auto detailing shop. He offered his belief that at one time it was also a gas station. He expressed concern about any potential remediation of the land.

JESSE CROSS-CALL answered that he did not know whether any remediation would be required.

VICE CHAIR JOHNSON mentioned that the ARRC would be able to provide testimony on that topic.

1:17:37 PM

BOB FRENCH, Co-Vice President, Government Hill Community Council, stated that community councils are the most basic form of local government for Anchorage. He related that the MOA looks to community councils for guidance on local issues. Government Hill is notable as Anchorage's first and oldest neighborhood. He related that the Alaska Railroad Corporation yards are located south of Government Hill, while Elmendorf Air Force Base is located on the north and east, and the Port of Anchorage tank farms are located to the west of Government Hill.

MR. FRENCH testified in favor of SB 165. He explained that Government Hill's history has been closely tied to the Alaska Railroad and has the largest density of Alaska Railroad Corporation (ARRC) land in the midst of any residential area, excluding the terminal reserve lands. He pointed out that the land is located in many parts of the neighborhood. The ARRC lands can only be leased. Thus, their presence can make development very difficult, he opined.

MR. FRENCH described the Government Hill neighborhood near the elementary school. He provided examples of activities such as a Spanish immersion program held at a magnet school that attracts students from all over Anchorage. Thus, substantial traffic

traverses the neighborhood each morning and afternoon, he noted. He also noted that a Pizza Parlor and three or four roads join together near the parking lot. An old crossing bridge allows students to cross the street, but the bridge is often icy and unsafe. He opined that the Government Hill Elementary School entrance is a very difficult entrance situation for students. If the land swap is approved, the community has the hope of a solution to a longstanding problem in the neighborhood. He urged members to support SB 165.

1:20:38 PM

VICE CHAIR JOHNSON, after first determining no one else wished to testify, closed public testimony on SB 165. He related that the committee now has a quorum to conduct business.

REPRESENTATIVE GRUENBERG referred to Block P, Tract A, and inquired if any remediation issues exist since the site once housed a gas station.

1:20:59 PM

WENDY LINDSKOOG, Assistant Vice President, Corporate Affairs, Alaska Railroad Corporation (ARRC) stated she contacted the real estate section of the ARRC just prior to the hearing. The ARRC confirmed that hazardous substances had been present on the site, but the Department of Environmental Conservation (DEC) previously completed a cleanup process on the land. She referred to an official DEC record of decision for the property. She read from the document, as follows: "The hazardous substance contamination has been adequately addressed and does not pose an unacceptable risk to human health or the environment." She stated the letter also contains a conditional closure based on institutional controls so that certain activities, such as if the owner removed soil would necessitate that the DEC be contacted. However, in terms of fixing an access issue, there is no problem. She offered to make the letter part of the record.

1:23:15 PM

REPRESENTATIVE GRUENBERG recalled that the Hollywood Vista area contained low-cost housing and asked if the building had been "torn down." He said he imagined they had been removed.

JAMES KUBITZ, Vice-President, Real Estate, Alaska Railroad Corporation (ARRC) answered that Representative Gruenberg is

correct. He answered the building had been torn down for many years and is a vacant piece of land. He explained that the development has already begun, that the road and utilities have been completed and the site is currently ready for development.

[1:24:36 PM](#)

REPRESENTATIVE GRUENBERG recalled the planned development for the parcel was to construct quality condominiums on the site.

MR. KUBITZ answered that the MOA is planning the development. He offered his belief that the platting is for some single family residences and several condominiums. He explained that the lots are delineated as mixed-zone lots and are zoned accordingly.

REPRESENTATIVE GRUENBERG expressed interest in the area and offered his belief that some nice residences could be added.

RON POLLOCK, Executive Director, Anchorage Community Development Authority (ACDA), stated that the project is separated into two sites. The easterly portion is divided into lots that are designed for duplex/condominiums with two units per building. The westerly portion of the development is designed for single family dwellings.

[1:26:32 PM](#)

REPRESENTATIVE GRUENBERG remarked that the whole project sounds like a "win-win" project. He inquired as to the plans for the land on 3rd Avenue, and whether it would be used for parking.

MS. LINDSKOOG answered that in the near future the land would be used for parking. She opined that the advantage to having one owner is in the event someone did have an interest in building on the land, that it would make the land easier to develop. If that were to happen, the land would also be on the municipal tax roll, which could be an added future benefit. She reiterated that the land currently will be used as a parking lot.

[1:28:03 PM](#)

REPRESENTATIVE DOOGAN moved to report SB 165 out of committee with individual recommendations and the accompanying zero fiscal note.

There being no objection, SB 165 was reported from the House Transportation Standing Committee.

SB 25-RICHARD DEWEY DUVALL FERRY TERMINAL

[1:28:56 PM](#)

VICE CHAIR JOHNSON announced that the final order of business would be SENATE BILL NO. 25, "An Act naming the South Mitkof Island ferry terminal the Richard 'Dewey' Duvall Ferry Terminal."

[1:29:06 PM](#)

WESTON EILER, Staff, Senator Bert Stedman, Alaska State Legislature, speaking on behalf of the bill sponsor, Senator Bert Stedman, stated that SB 25 would honor Richard Duvall, a proponent of marine transportation in Southeast Alaska and a long term resident of Petersburg.

MR. EILER explained that under AS 35.40.015, the state may name public works infrastructure through an act of the legislature. This authority has been exercised over 40 times in statute. This bill would name the South Mitkof Ferry Terminal in Petersburg in honor of Richard "Dewey" Duvall. Mr. Duvall was an engineer by trade, and promoted improved transportation in Southeast Alaska through his service to the community and as part of the Inter-Island Ferry Authority (IFA). Mr. Duvall served on the Petersburg City Council and was a founding board member of IFA. He was instrumental in the construction of the South Mitkof Island terminal. After the terminal's completion, he served as one of the ticket agents. He recently died and SB 25 would recognize Mr. Duvall's contribution and dedication by naming the terminal in his honor. He mentioned that the bill is supported by the City of Petersburg and the Inter-Island Ferry Authority.

[1:31:14 PM](#)

MARY SIROKY, Legislative Liaison, Office of the Commissioner, Department of Transportation & Public Facilities (DOT&PF), explained that the fiscal note is for \$1.2 thousand for a sign that would be placed on the building. She recalled that recently another bill was passed from the House Transportation Standing Committee with a fiscal note that was substantially larger for a sign to be placed on a bridge. She explained that signs for bridges must have four posts. Thus, the cost is more

significant. However, this fiscal note is for a sign that is to be placed on an ATCO building. In the event that a permanent building is erected, any additional signs for the building would be incorporated as part of the cost for the project.

[1:32:20 PM](#)

REPRESENTATIVE JOHANSEN asked for the size of the proposed sign.

MS. SIROKY answered that the size has not yet been determined.

[1:32:40 PM](#)

VICE CHAIR JOHNSON remarked that by his calculation the posts would cost \$1,600 for the bridge sign.

MS. SIROKY agreed that posts are expensive and explained that they must be "breakaway" posts. In further response to Vice Chair Johnson, Ms. Siroky explained that the sign for this building would not have any posts. She passed out photos of the building and the proposed sign. In response to Representative Gruenberg, Ms. Siroky related that she was not certain when a permanent building might be built. She offered her belief that the IFA was currently having problems with ridership. Thus, there are currently not any plans for constructing a building.

[1:34:07 PM](#)

REPRESENTATIVE GRUENBERG asked for clarification about the Inter-Island Ferry Authority (IFA).

MS. SIROKY related that the IFA is a ferry authority that was created in statute as a result of significant Southeast community efforts. The IFA then purchased two ferries. One day ferry provides daily service from Prince of Wales Island to Ketchikan. The second day ferry runs from the north Price of Wales Island to the South Mitkof terminal and provides access to Petersburg and Wrangell.

REPRESENTATIVE JOHANSEN concurred with Ms. Siroky.

[1:35:33 PM](#)

MS. SIROKY offered her belief that the IFA ferry serves the communities of Coffman Cove, Petersburg, and Wrangell. She related her understanding that the IFA has cutback service on the northbound schedule due to local travel reductions.

[1:36:03 PM](#)

VICE CHAIR JOHNSON asked if the ferry is a private ferry service.

MS. SIROKY reiterated that the IFA was created through the statute.

REPRESENTATIVE JOHANSEN elaborated that the IFA was created due to challenges facing the Alaska Marine Highway System (AMHS) to provide adequate service to Southeast communities. He related his understanding that that the ferry schedules had been infrequent and often changed, so the communities served by the AMHS grew quite frustrated. The communities came to the legislature and requested to create an authority which is a quasi-state authority. He related that the IFA Authority is incorporated by the communities of Ketchikan, Hollis, and Coffman Cove. The state funded a day ferry vessel which runs daily. He related that the southern route ridership serves Ketchikan and Hollis. He opined that ridership has stabilized in that route. He related that in the past few years the legislature has appropriated some operating funds to the IFA for the northern route until its ridership is stabilized. He offered that the IFA day ferries take pressure off the AMHS and provide daily service.

[1:38:47 PM](#)

REPRESENTATIVE JOHANSEN, in response to Vice Chair Johnson, explained the vessels are small day boats, with small crews, that carry cars and passengers. He offered to request that the IFA present to the committee next year.

[1:39:15 PM](#)

REPRESENTATIVE GRUENBERG suggested that the committee may wish to meet in the community or on the ferry to learn more about the AMHS and the IFA.

REPRESENTATIVE JOHANSEN, in response to Vice Chair Johnson, explained that ridership is currently up.

[1:40:08 PM](#)

MS. SIROKY pointed out that it is appropriate to recognize that the IFA has demonstrated how successful day ferry vessels can be

when service is regularly provided. She opined that the IFA has also demonstrated how economical it can be to operate a new vessel. She explained that the AMHS has reviewed the model as it plans for future AMHS day vessels.

VICE CHAIR JOHNSON encouraged the AMHS's to use an evaluation process for any new ferries.

[1:40:47 PM](#)

MS. SIROKY, in response to Representative Gruenberg, explained that the Southeast Transportation Plan includes AMHS day ferries, potentially providing service between Juneau and Hoonah. Currently AMHS vessels run from Juneau to Haines and north to Skagway. She noted the M/V Fairweather also provides service from Juneau to Sitka several times per week. She reiterated the success of the IFA day vessels.

[1:41:43 PM](#)

VICE CHAIR JOHNSON after first determining no one else wished to testify, closed public testimony on SB 25.

REPRESENTATIVE GRUENBERG moved to report SB 25 out of committee with individual recommendations and the accompanying fiscal note.

[1:43:19 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 1:43 p.m.