

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

March 31, 2009

3:31 p.m.

**MEMBERS PRESENT**

Senator Donald Olson, Chair  
Senator Joe Thomas, Vice Chair  
Senator Hollis French  
Senator Albert Kookesh  
Senator Linda Menard

**MEMBERS ABSENT**

All members present

**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

**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

**WITNESS REGISTER**

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

**POSITION STATEMENT:** Presented SB 165.

JAMES KUBITZ, Vice President of Real Estate  
Alaska Railroad Corporation  
Anchorage AK

**POSITION STATEMENT:** Spoke in support of SB 165.

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

**POSITION STATEMENT:** Spoke in support of SB 165.

WENDY LINDSKOOG, Assistant Vice President  
Corporate Affairs  
Alaska Railroad Corporation  
Anchorage AK

**POSITION STATEMENT:** Spoke in support of SB 165.

**ACTION NARRATIVE**

[3:31:20 PM](#)

**CHAIR DONALD OLSON** called the Senate Community and Regional Affairs Standing Committee meeting to order at 3:31 p.m. Senators Kookesh, Thomas, Menard, and Olson were present at the call to order. Senator French arrived soon thereafter.

**SB 165-AUTHORIZING TRANSFER OF RAILROAD LAND**

[3:32:09 PM](#)

CHAIR OLSON announced the consideration of SB 165.

JESSE CROSS-CALL, Staff, to Senator Johnny Ellis, Alaska State Legislature, said SB 165 is a land swap between the municipality of Anchorage and the Alaska Railroad Corporation. The bill is the culmination of a lot of work with the municipality, the railroad, the Anchorage School District, and the Government Hill Community Council, and all parties support SB 165. He presented a map of the parcels.

MR. CROSS-CALL said there are two lots in Government Hill owned by the railroad that will be transferred to the municipality of Anchorage. One is a little under two acres on Hollywood Drive that is appraised at \$480,000. That area is being redeveloped into homes, and if Anchorage owned the lots they would be sold for residential development. The second parcel is much smaller and is next to an elementary school. If Anchorage owned it, it would be made into a safer entrance to the school.

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CHAIR OLSON asked the size of that parcel.

MR. CROSS-CALL said it is 0.18 acres and worth \$122,800.

SENATOR THOMAS asked where it is on the map.

MR. CROSS-CALL said it is at the top of the map in blue. The purpose of the transfer is described on page 2 of the bill. The municipality of Anchorage will transfer land that is across Ship Creek near downtown Anchorage. It is surrounded by railroad land, and it is a parking lot run by the downtown parking authority. Giving the parcel to the railroad will allow the railroad to develop it. It is appraised at \$645,000. The land being given to the railroad is worth more. The municipality has said it doesn't expect future compensation for the difference.

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CHAIR MENARD asked if the municipality is transferring 20,150 square feet to the railroad.

MR. CROSS-CALL said yes, and he reiterated the support by all the parties involved.

SENATOR KOOKESH asked why the legislature has to authorize this.

MR. CROSS-CALL said any transfer of land from the railroad has to be approved by the legislature.

CHAIR OLSON asked if the parcels are owned fee simple. He asked about letters from land developers or the nearby Comfort Inn.

[3:39:44 PM](#)

MR. CROSS-CALL said it is fee simple land, and his office doesn't have any letters. He doesn't know about the Comfort Inn.

SENATOR THOMAS said he has land he would like to swap with the railroad. The bill could be amended to take care of it.

SENATOR MENARD asked why the railroad wants this land and if it is the piece they have wanted for the ferry or for parking.

MR. CROSS-CALL said he thinks the railroad was just looking for land of an equal value.

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SENATOR MENARD asked if the railroad has plans for the land. There has been some controversy about getting more [Ship] Creek property in the railroad's possession.

JAMES KUBITZ, Vice President of Real Estate, Alaska Railroad Corporation, Anchorage, said the railroad was approached by the municipality because it wanted the parcel on Government Hill. So

the railroad looked for something of equal value. The city has owned the small in-holding, making it burdensome for anyone to do anything with it. It gives the railroad a usable lot. He said he has not heard any opposition to the trade.

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CHAIR OLSON said he understands why the municipality would want the trade, but what does the railroad want with a half acre in the middle of a parking lot?

MR. KUBITZ said it could be continuous parking, but making it one piece makes it developable. A building could be built if this bill passes. The railroad would lease it out if someone wanted to build on it.

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BOB FRENCH, Co-Vice President, Government Hill Community Council, Anchorage, said his council is the most basic form of local government. The 39 community councils in Anchorage have few powers, but the municipality looks to them for advice and guidance on local issues. His council is in favor of SB 165. Government Hill is the oldest neighborhood in Anchorage. Its history is tied to the railroad, so it has a large density of railroad-owned land. The railroad owns many small parcels on Government Hill, which can hinder development. The entrance to the elementary school doesn't function well. There is a small street and a metal school crossing bridge right where the entrance to Elmendorf Air Force Base and two disconnected halves of Bluff Road all join together. The railroad property is in the middle of all that and blocks attempts to create a workable entrance. It may not be easy, but there will be the hope of finding a solution if the land is swapped.

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SENATOR FRENCH said the entrance to the school is really in need of a makeover. It is hard to see from the map. The Government Hill Community Council is known for its strength and awareness of local issue. It is a very proactive group, and when it speaks, it speaks with authority about what the community wants.

CHAIR OLSON asked about the boundaries of the council.

MR. BOB FRENCH said it includes all of the Anchorage terminal reserve owned by the Alaska railroad. There are quite a few industrial partners in the community council, including the Port of Anchorage, Ship Creek Valley, and Elmendorf Air Force Base.

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CHAIR OLSON asked if the Saturday Market is included.

MR. BOB FRENCH said he thinks that is part of the downtown council.

SENATOR MENARD asked if everything on the map that is orange is within Government Hill.

SENATOR FRENCH said it is the opposite of that, he thinks.

MR. KUBITZ said he doesn't have a map.

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WENDY LINDSKOOG, Assistant Vice President, Corporate Affairs, Alaska Railroad Corporation, Anchorage, said the orange line defines the railroad property, and it doesn't relate to community council boundaries. The two blue parcels are in Government Hill. This was a good negotiation with the city, and she would like to see the bill move.

SENATOR THOMAS asked if everything to the west, south, and east of the orange line is railroad property. "Are we just not seeing the continuation on the right side of the map?"

MS. LINDSKOOG said yes.

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The committee took a brief at-ease.

SENATOR FRENCH moved to report SB 165 from committee with individual recommendations and attached fiscal note(s). There being no objection, SB 165 moved out of committee.

SENATOR MENARD said the only difficulty was the \$42,200 benefit to the railroad. It is a small struggle to see the inequity.

The meeting was adjourned at 3:55 p.m.

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