

**ALASKA STATE LEGISLATURE  
SENATE LABOR AND COMMERCE STANDING COMMITTEE**

April 16, 2010

8:06 a.m.

**MEMBERS PRESENT**

Senator Joe Paskvan, Chair  
Senator Joe Thomas, Vice Chair  
Senator Bettye Davis  
Senator Kevin Meyer

**MEMBERS ABSENT**

Senator Con Bunde

**OTHER LEGISLATORS PRESENT**

Senator John Coghill  
Representative Tammie Wilson  
Representative Mike Kelly

**COMMITTEE CALENDAR**

PRESENTATION: FUTURE OF ICE ALASKA

- HEARD

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

DICK BRICKLEY, Chairman  
Ice Alaska

Fairbanks, AK thanked the committee for taking the time to help with this issue. He said this event had been going on for 21 years.

**POSITION STATEMENT:** Commented on site selection for the Ice Alaska event.

JOHN BINKLEY, Chairman  
Board of Directors  
Alaska Railroad Corporation

**POSITION STATEMENT:** Commented on site selection for the Ice Alaska event.

JIM KUBITZ, Vice President  
Real Estate and Facilities  
Alaska Railroad Corporation (ARRC)

**POSITION STATEMENT:** Commented on lease options for a site for the Ice Alaska event.

MAYOR LUKE HOPKINS  
Fairbanks North Star Borough

**POSITION STATEMENT:** Commented on his negotiations for a site for the Ice Alaska event.

#### **ACTION NARRATIVE**

[8:06:51 AM](#)

**CHAIR JOE PASKVAN** called the Senate Labor and Commerce Standing Committee meeting to order at 8:06 a.m. Present at the call to order were Senators Thomas, Meyer, and Paskvan.

#### **Presentation: Future of Ice Alaska**

[8:07:36 AM](#)

CHAIR PASKVAN said they are holding this meeting to discuss an important issue for winter tourism in Interior Alaska, the Ice World Championships, and their lease with the Alaska Railroad is scheduled to expire in June.

[8:09:36 AM](#)

DICK BRICKLEY, Chairman, Ice Alaska, Fairbanks, thanked the committee for taking the time to help with this issue. He said this event had been going on for 21 years. When they first started, they bought ice in Seattle and had it shipped to Fairbanks, but they have found that Fairbanks has the very best ice and now uses that. Ice Alaska provides tremendous opportunities to capitalize on the cold Fairbanks weather that extends for seven months of the year. The Ice Park is like a Disney feature; over 40,000 people went through it last year. It truly helps the winters go faster. Ice Alaska is staffed 90 percent by volunteers who are all working hard to see it continue.

[8:15:57 AM](#)

JOHN BINKLEY, Chairman, Board of Directors, Alaska Railroad Corporation (ARRC), said they want to find ways to provide economic development to Alaskans, and Mr. Brickley's Ice World realizes that impact. That is why they want to make sure it is

preserved in perpetuity as an event. Recently they have agreed with Mayor Hopkins that the 2011 event will go on. In the next 60 days he will work with the Mayor, Ice Alaska and the Railroad on a prepaid lease or find another location within the borough.

8:20:07 AM

SENATOR THOMAS said he appreciated his enthusiasm and recognition of what the ice park does. This is a great location; it is already somewhat connected. In looking at the two images, he assumed that image 2 was more the frontage road along Philips Field which is Railroad land. If that's the case, it concerned him a bit even though he liked the idea of extending to the river, which would allow access to the other side. How would the parking work out, because it looks like a majority of the existing parking goes away? He was also concerned if the land was leased that it be with a long-term lease of 30-40 years.

JIM KUBITZ, Vice President, Real Estate and Facilities, Alaska Railroad Corporation (ARRC), said they discussed a 35-year prepaid lease with the Mayor, but 55 years is the maximum.

SENATOR THOMAS said sale of the property would be more reasonable for at least the continuity and the understanding of what could take place on the property as far as building any kind of bridges or other access to it. He noted an existing bill that would allow the Railroad a better opportunity to look at non-essential property and potentially consider selling it.

8:22:52 AM

SENATOR BETTYE DAVIS joined the committee.

CHAIR PASKVAN said agreements hadn't been reached in full, but he wanted to know more about "the balls that are in the air."

MR. KUBITZ said he is the one doing the eyeball-to-eyeball discussions with former Mayor Whitaker and the current Mayor Hopkins about how to reach a long-range solution. There are essentially two paths, and they are working them both to see which one "will float to the top." The first path is a prepaid 35-year lease for 20 acres under Mayor Whitaker. He and Mayor Hopkins are working on that as well as the value of what it would be. The second path would be if Ice Alaska decided to move to another location. He mentioned that the ice that is provided for this event is harvested right on the property from a pond that was created by the Railroad when it was developed. Material from the pond was used to build the roads and to help develop the site. So, if from some reason this event were to move to

another location, Ice Alaska, the Mayor, and the North Star Borough have been assured that they will have access to that ice forever - because that is probably one of the highest and best uses of a pond they can think of. A lease would be established based on fair market value. The second path would help the North Star Borough find a permanent home for the park. In that event, they have already agreed to extend the existing lease with the Borough so the 2011 event can be held in the exact location.

[8:26:16 AM](#)

MR. BINKLEY said in answer to Senator Thomas' question about the scope of the park, Mr. Kubitz was saying that they are trying to tailor this to get the acreage with the money that the Ice Parks has now available to prepay a long-term lease. That is why it's constricted to the 20 acres.

SENATOR THOMAS pointed out that both pieces are larger than 20 acres; one is 30 and one is 28.35. He appreciated the status of the pond, but moving to some other place and still attempting to use that ice just creates another expense and logistical exercise in trying to transport it.

REPRESENTATIVE MIKE KELLY joined the committee.

MR. BINKLEY explained that the 20 acres on image 2 is the area that includes just track 8,6, and a portion of track 7. Their available funds would equate to the value of that land over a pre-paid 35 year lease.

SENATOR THOMAS asked if track 2 is the donated property.

MR. BINKLEY responded that track 2 would be above and beyond that amount.

[8:29:08 AM](#)

MR. KUBITZ said he knows that parking is an issue, because this is a 5-6 week public event and people park everywhere; then they are gone for the rest of the year. The problem with this property is question of whether that is its highest and best use, because currently this property sits vacant for 10.5 months. The Railroad, while they value the event, thinks that is not the highest and best use. So they are trying to help find a solution. One solution they have discussed with the North Star Borough is to have parking across the river in the Pioneer Park area and then people can walk across an existing foot bridge that was installed by the Railroad. The foot bridge could be easily maintained with a four-wheeler plowing snow. While it's a

little bit of a walk, there would be access to huge amounts of parking right across the river and the footprint of the actual event could be kept smaller. All of that property would not have to be used for parking for just a six-week event.

8:30:25 AM

MAYOR LUKE HOPKINS, Fairbanks North Star Borough, said this has been a long process along a sometimes bumpy road. The end result will ensure that the Fairbanks area and the economy continues to benefit from this incredible world-class ice carving event.

He said of the continued economic benefit to the Fairbanks area and to the State of the Alaska in winter tourism, this is the only area of the state, according to the Fairbanks Visitors and Convention Bureau that is expanding tourism by 13 percent growth in the winter. That is primarily because of Interior winter opportunities, and Ice Alaska is huge.

In terms of the future of Ice Alaska, Mayor Hopkins said he wants to ensure that it has a firm site in the local area; his office and the Railroad have been able to agree on a one-year land use permit to the Fairbanks North Star Borough to use the current properties for the 2011 Ice Art event. Everyone is pleased the event will be able to continue and be even bigger next year.

He said image 1 is the current area used; the second map was sent to him by the Railroad as a continuing negotiation in finding a suitable long-term lease arrangement. They realize to keep Ice Alaska at this location the borough needs to have a strong connection to its park facility, Pioneer Park. The second map shows a non-motorized trail across track 2 that would connect to Pioneer Park where people could park their cars.

A third map labeled image 2 showed the 20-acre parcel within the existing Chena Landing Loop Road that the Railroad proposed as the long-term leased property. Negotiations are continuing, but he said the Assembly is looking for a strong connection to Pioneer Park and they are the ones who would have to approve a long-term lease.

MAYOR HOPKINS explained that Ice Alaska has offered its capital project funds to the borough unanimously for a long term lease arrangement with the Railroad if that were to be arrived at. He has had conversations with individual Assembly members that if a small amount of additional funds would be needed to ensure that either the Railroad's 20 acres or the borough's hope that an

approximate 30 acre long-term lease would be funded, that could possibly be advanced as a bed tax.

8:39:00 AM

The other piece he wanted to mention is in the long-term lease policy that may still be current with the Railroad is 3.05 public entity section. That would address the ability of a community purpose discussion that the borough hasn't yet had with the Railroad. It would also provide added discussions for a less than fair market value lease arrangement for this property. He thought a solution could be found within the next 60 days.

SENATOR THOMAS asked if they have talked with Alaska Land/Pioneer Park regarding a bridge that would come onto their land that would be used at that time of the year.

MAYOR HOPKINS said he had talked to his director of Parks and Recreation about that option and it entails basically working with the Coast Guard and the Army Corps of Engineers. A lot of discussion will be needed, the idea being that a pedestrian bridge would address the parking issue.

8:42:21 AM

He said the question had been asked about moving this event into Pioneer Park, but staff does not think that would work. It would be a large operation in a very small area, a very difficult situation for both power requirements, temporary usage and the lack of trees to shade the ice event.

SENATOR COGHILL thanked him for all his work and said he noticed that the Carlson Center parking lot is a lot closer than Pioneer Park, and asked if he had considered that.

MAYOR HOPKINS answered yes, but the other complication to some degree is that when events are held at the Carlson Center that parking lot might not be available. Other discussions have considered the Tanana Valley Fairgrounds and other properties in the area that might include the State of Alaska, but they are all more difficult to arrive at and would be at least two or three years out to get everything developed.

8:44:58 AM

MR. BINKLEY expressed appreciation to Mayor Hopkins and said he knew there was a solution, particularly with the borough's willingness to step in, recognizing the tremendous positive economic impact it has.

CHAIR PASKVAN thanked everyone for being present.

8:46:51 AM

SENATOR THOMAS commented that it is an extremely important event, but it also has difficulty with raising funds and operates for a short period of time even though a lot of people attend it. Hopefully they will reach a resolution that is beneficial to both parties.

8:48:50 AM

CHAIR PASKVAN, finding no further business to bring before the committee, adjourned the meeting at 8:48 a.m.