

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON MILITARY AND VETERANS' AFFAIRS

February 9, 2017

1:33 p.m.

MEMBERS PRESENT

Representative Chris Tuck, Chair
Representative Gabrielle LeDoux, Vice Chair
Representative Justin Parish
Representative Ivy Spohnholz
Representative George Rauscher
Representative Dan Saddler

MEMBERS ABSENT

Representative Lora Reinbold

COMMITTEE CALENDAR

HOUSE BILL NO. 4

"An Act relating to military facility zones."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 4

SHORT TITLE: MILITARY FACILITY ZONES

SPONSOR(S): REPRESENTATIVE(S) THOMPSON

01/18/17	(H)	PREFILE RELEASED 1/9/17
01/18/17	(H)	READ THE FIRST TIME - REFERRALS
01/18/17	(H)	MLV, CRA
02/09/17	(H)	MLV AT 1:30 PM GRUENBERG 120

WITNESS REGISTER

REPRESENTATIVE STEVE THOMPSON

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented HB 4.

JEFF STEPP, Special Assistant and Economic Development
Coordinator

Mayor's Office

Fairbanks North Star Borough

Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 4.

CHRISTINE NELSON, Director
Community Planning Department
Fairbanks North Star Borough
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 4.

ROBERT DOEHL, Deputy Commissioner
Department of Military & Veterans' Affairs (DMVA)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 4.

ACTION NARRATIVE

[1:33:43 PM](#)

CHAIR CHRIS TUCK called the House Special Committee on Military and Veterans' Affairs meeting to order at 1:33 p.m. Representatives Parish, Rauscher, Spohnholz, and Tuck were present at the call to order. Representatives Saddler and LeDoux arrived as the meeting was in progress.

HB 4-MILITARY FACILITY ZONES

[1:34:39 PM](#)

CHAIR TUCK announced that the only order of business would be HOUSE BILL NO. 4, "An Act relating to military facility zones."

[1:35:26 PM](#)

REPRESENTATIVE STEVE THOMPSON, Alaska State Legislature, prime sponsor of HB 4, stated the proposed legislation amends previous statute regarding military facility zones. He referred to [House Bill 223, 28th Alaska State Legislature, now AS 29.45.050 subsection (v)], which created the ability for municipalities to request a designation of a military facility zone around a military facility. He stated that HB 4 would fix flaws of current statute. He explained that a military facility zone is a designated area around a military facility which is sometimes zoned for economic development. Military facility zones aim to economically enhance the mission of the military or reduce the cost of military being in the area. The zones are not necessarily only for military use; zones might allow for the private industry to build something advantageous to the

military. The statute allows for federal tax credits and low-interest loans for military facility zones. He remarked:

To be designated a military facility zone, a municipality or borough would have to request to the adjutant general to be allowed to have this designated area as a military facility zone. The way it is in statute is that for the military facility zone to be approved by the adjutant general, it would have to be concurrent ... and so stated in the community's comprehensive plan.

REPRESENTATIVE THOMPSON explained that city and municipality comprehensive plans are only redone about every 10 years - it's a big process. Changing allowances within a comprehensive plan might take a year to two. He noted that HB 4 would change the existing statutory language to add compliance with a municipality's "local zoning ordinances" as an alternative to "comprehensive plan" for designating a military facility zone. This would allow a project to move forward in a timelier manner without delayed a year or two for a change in a comprehensive plan. Long delays can jeopardize the completion of a project. He noted that HB 4 would amend statutes so that a community or municipality could more easily move forward with a military facility zone to benefit the military and community with economic development.

[1:39:21 PM](#)

REPRESENTATIVE RAUSCHER asked for an example of what is currently limited without the bill.

REPRESENTATIVE THOMPSON stated that some projects, which might use federal tax credits or low-interest loans associated with a military facility zone, are being considered. He noted that Ketchikan has a naval range and could build a new dock, which might keep the navy there. Kodiak needs to replace housing for members of the U.S. Coast Guard stationed there; a private contractor could build the housing with low-interest loans and federal tax credits if the site was designated as a military facility zone. He stated that U.S. Senator Dan Sullivan is attempting to move a marine unit to the Anchorage area, and F-35s are expected to come to Eielson [Air Force Base]. He noted that these proposals are examples of what could be done under HB 4. The projects do not have to be built for the military, but could be anything that would enhance and encourage the military to stay in Alaska. He suggested that a bowling alley close to a

military facility would offer recreational opportunities. He remarked, "They look at what is available for military that ... are stationed at that base. Is it something ... that would help keep them there?"

[1:42:04 PM](#)

REPRESENTATIVE SADDLER noted that he is a cosponsor of HB 4. He asked which potential military facility zones would have their application processes sped up under HB 4.

REPRESENTATIVE THOMPSON stated that he has received questioning on the aforementioned projects, but no applications have been submitted. He mentioned new investments at Eielson Air Force Base, Clear Air Force [Station], and Fort Greely, which would all necessitate new housing or infrastructure and could benefit from this advantage. He stated that Fairbanks North Star Borough is wanting to put in an application and is working on its comprehensive plan, which is only redone every 10 years.

REPRESENTATIVE SADDLER re-emphasized that the Fairbanks North Star Borough is interested in [submitting an application]. He offered his opinion that the projects could be helped, and the proposed legislation would facilitate economic development and stabilize the state's economy.

[1:44:01 PM](#)

REPRESENTATIVE SPOHNHOLZ stated that the aforementioned projects seem reasonable and HB 4 is a great way to support communities. She acknowledged that comprehensive plans take a long time to change, and she considered that a private developer might use local zoning ordinances to bypass a comprehensive plan.

[1:45:26 PM](#)

JEFF STEPP, Special Assistant and Economic Development Coordinator, Mayor's Office, Fairbanks North Star Borough, testified in support of HB 4. He stated that the statutory authority for the municipalities and Department of Military & Veterans' Affairs (DMVA) to create military facility zones was established by the 27th Alaska State Legislature in 2012. In 2014, House Bill 223 gave authority for local governments to seek up to ten years of full or partial property tax exemptions for businesses in a military facility zone. He offered his understanding that the intent of [House Bill 223] was to help

the Kodiak Coast Guard facilitate a big housing project; he added that HB 4 aims to refine the statute. He remarked:

By design, [military facility] zones are designated areas in close proximity to military installations, where increased industrial activity, economic development, workforce development or training, and educational activities will directly enhance the installation's ability to fulfill its mission.

MR. STEPP noted that currently, a military facility zone must be consistent with the [comprehensive] plan of the municipality, which might have broad land use designations and a wide variety of goals and policies. The military facility zone designation proposals are specific to locations, which are generally smaller in scale than the broad categories of land uses listed in most comprehensive plans. Comprehensive plans address a wide range of land-use elements. Many Alaskan communities have outdated comprehensive plans; the Fairbanks North Star Borough's comprehensive plan was last updated in 2005. The process of amending the comprehensive plan is lengthy, expensive, and difficult. He offered his belief that the solution is to make [land uses] more specific. Zoning is the regulatory tool that identifies the appropriate uses of each specific parcel of land that may be eligible for a military facility zone, and it is the applicable process for obtaining a land-use permit.

1:49:01 PM

CHRISTINE NELSON, Director, Community Planning Department, Fairbanks North Star Borough, testified in support of HB 4. She stated that in 2014, the Fairbanks North Star Borough started the process of applying for a military facility zone. She gave an overview of the obstacles the borough faced for a proposed joint unmanned vehicle technology research park and test site. This was a joint venture between the University of Alaska Fairbanks (UAF), the borough, and the U.S. Department of Defense (DoD) for testing military applications of new technology and civilian testing for unmanned vehicles. A site near Eielson Air Force Base was identified, but the site was designated in the comprehensive plan for agriculture and open space, which was not consistent with the project. She stated that the zoning of the site was general use, which is the designation of over 95 percent of the land area in the borough.

MS. NELSON explained that although the comprehensive plan was updated 11-12 years ago, the comprehensive plan's land-use map

has not been updated since the 1990s. She stated that there is not a codified process for updating the map; therefore updating the map would involve developing a process, codifying it, and then updating it. Zoning is more specific to parcels of land and has specific processes - zoning permits or conditional use permits - by which to evaluate any development project. In answer to Representative Spohnholz's question, she stated that a developer "getting a jump on a new comp plan" would still need to meet the zoning requirements in effect at the time, even if the comprehensive plan is narrower than the zoning regulations. She detailed that there would be requirements, review, and analysis attached to any proposal for compliance with the zoning regulations.

[1:52:04 PM](#)

REPRESENTATIVE LEDOUX acknowledged that inconsistencies between the municipality's comprehensive plan and the local zoning ordinances would be unlikely. She asked if there could be a situation where [a proposal] could pass a local zoning ordinance, but not pass the municipality's comprehensive plan.

MS. NELSON answered that it could happen. In the aforementioned example, the general use zoning doesn't list many conditional uses. If [a proposal] met the uses permitted in the zoning designation, a zoning permit could be approved, even if it was inconsistent with the comprehensive plan. She remarked, "If the ... use was listed as a conditional use in ... whatever zone it is, one of our criteria of a conditional use permit requires consistency with the comprehensive plan." There is a window with the [general use] zoning where a proposal could be consistent with the zoning but not consistent with the comprehensive plan.

REPRESENTATIVE LEDOUX asked whether the intent of the sponsor is to approve [a proposal] that is consistent with the zoning regulations but not consistent with the comprehensive plan.

[1:54:44 PM](#)

REPRESENTATIVE THOMPSON stated that this complicates the process, but any zoning permits would have to go through the municipality's legislative process to be approved. He noted that HB 4 would keep with the intent [of current statute]. If the zoning designation is general use and the proposal does something similar, then it wouldn't violate the comprehensive plan.

REPRESENTATIVE LEDOUX stated that she was surprised that there could be inconsistencies between the comprehensive plan and the local zoning ordinance. She asked the sponsor if that is ok, and what he would like to do.

REPRESENTATIVE THOMPSON stated that HB 4 would make it possible to move forward with a project. A project would be consistent with the comprehensive plan if it is in a general use area. A conditional use permit could be used until the comprehensive plan is updated to comply with any addition outside of general use.

REPRESENTATIVE LEDOUX stated that Representative Thompson's comments seem to be inconsistent with prior testimony.

[1:57:02 PM](#)

REPRESENTATIVE PARISH stated his concern that the proposed legislation might abbreviate the public process; he commented that HB 4 is meant to cut down on bureaucratic "song and dance." He asked what the process is for the adjutant general to designate an area as a military facility zone. He asked who makes the request to the adjutant general and where public involvement is in the process.

[1:58:41 PM](#)

MR. STEPP stated that a borough would submit the application to the adjutant general, as laid out statute; the process for applying for a military facility zone is completed by the municipality or borough. He recalled the project previously mentioned by Ms. Nelson, which was initiated by the Fairbanks North Star Borough. In 2014, the comprehensive plan amendment process for the project was very public. Any potential zoning change in the borough involves an intensive, ambitious, and coordinated outreach effort by the planning department. He stated that the public is certainly engaged in the process.

[2:00:43 PM](#)

CHAIR TUCK drew attention to the list of considerations the adjutant general shall consider on page 2, lines 12 to 18, of HB 4, which read as follows:

(9) any plans or financial commitments of municipalities to improve the area;

- (10) any plans or financial commitments of private entities to improve the area;
- (11) the municipality's participation in economic development activities, including proposals for public or private development;
- (12) support from community or business organizations in the area;

CHAIR TUCK stated his hope that the process would allow for everyone's involvement. He commented that municipalities tend to have the plans and financial commitments vetted.

[2:01:32 PM](#)

REPRESENTATIVE PARISH noted that Mr. Stepp answered that the borough makes the request. He asked if "borough" refers to the borough planning commission, specifically. He again asked who makes the request and who approves it.

[2:01:47 PM](#)

MS. NELSON responded that the borough administration would make the request, but the planning commission and staff would be actively involved in the community outreach, collecting comments, and holding community meetings.

[2:02:35 PM](#)

REPRESENTATIVE SADDLER stated his belief that the intent of the current statute - AS 26.30.020(c)(1) - is to ensure that military facility zones comport with the local government's expressed desire for how a piece of land should or should not be developed. He stated that this can happen by means of a comprehensive plan or zoning. The comprehensive plan standard is too high and bars state and local governments from obtaining the benefit offered by military facility zones. He offered his opinion that HB 4 advances the fundamental goal of the statute, and does so in a way that still reflects the local government's expressed desire. He commented that the proposed legislation provides an option of using either local zoning laws or a comprehensive plan; HB 4 gives the local government discretion to decide for itself if an application should follow zoning laws or the higher standard of the comprehensive plan. He noted that the bill is permissive, not directive, and he stated his support.

[2:03:38 PM](#)

REPRESENTATIVE THOMPSON stated that a municipality's application for a military facility zone designation would have to come from the governing body; the application must go through the whole process before being submitted.

[2:04:10 PM](#)

REPRESENTATIVE RAUSCHER offered details of a current discrepancy between the Community of Sutton-Alpine's comprehensive plan and the Matanuska-Susitna (Mat-Su) Borough's comprehensive plan. He noted that an individual applying for a change in the [borough's] plan would have to submit an application and go through the local public process. Afterwards, an assembly member would represent his/her position before the assembly could change the plan. He stated that a change in the plan often goes along with a permit and may have provisions and stipulations.

[2:05:25 PM](#)

REPRESENTATIVE SPOHNHOLZ stated that her concern - that municipalities could vet and make a decision for themselves - was clarified by the previous comments.

[2:06:00 PM](#)

CHAIR TUCK opened public testimony on HB 4.

[2:06:16 PM](#)

ROBERT DOEHL, Deputy Commissioner, Department of Military & Veterans' Affairs (DMVA), stated that DMVA supports HB 4, which would accomplish what was originally intended with military facility zone legislation. It provides for a cost-effective and viable means to assure that a military facility zone is what the local community determines appropriate. The proposed legislation also provides an effective way to move forward with a proposal. He mentioned that doing a project at Joint Base Elmendorf-Richardson would involve redoing a comprehensive plan for a city the size of Rhode Island for a 10-acre site. This would deny the agility and cost-effectiveness of a project's use of a military facility zone. He stated that DMVA can only accept a military facility zone application from a municipality - not from a private party.

[2:07:14 PM](#)

REPRESENTATIVE SADDLER asked for details and purpose of the 10-acre project.

MR. DOEHL stated that he has nothing particular in mind, although there are various needs for making parts, local commerce, and residential development.

[2:08:29 PM](#)

CHAIR TUCK closed public testimony on HB 4.

[2:08:42 PM](#)

REPRESENTATIVE THOMPSON stated that he's been in contact with Lockheed Martin [Corporation], which is looking to build a facility in the "Anchorage Bowl." He remarked that the proposed legislation would be ideal for Lockheed Martin to put in a facility to help the military with airplanes, which could be a huge economic boom to the Anchorage area. He conveyed that the bill would support the military, help its mission, and lower its costs of repairs.

CHAIR TUCK asked if there has been any indication of the number of jobs such a facility would provide.

REPRESENTATIVE THOMPSON answered no. He stated that the corporation was looking at putting the facility into an old hangar near a terminal at Elmendorf. He mentioned that he hasn't heard from the corporation in about two years.

CHAIR TUCK asked if the proposed facility would require a military facility zone designation if it was on the current military base.

REPRESENTATIVE THOMPSON clarified that the location in question is at the Ted Stevens Anchorage International Airport.

[2:10:22 PM](#)

REPRESENTATIVE SADDLER added that the location is now called "Old Kulis."

[2:10:35 PM](#)

CHAIR TUCK announced that HB 4 was held over.

2:10:45 PM

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Military and Veterans' Affairs meeting was adjourned at 2:11 p.m.