

ALASKA STATE LEGISLATURE
SENATE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

February 7, 2017

3:30 p.m.

MEMBERS PRESENT

Senator Click Bishop, Chair
Senator Anna MacKinnon
Senator Bert Stedman
Senator Berta Gardner

MEMBERS ABSENT

Senator Lyman Hoffman

COMMITTEE CALENDAR

SENATE BILL NO. 28

"An Act relating to the general grant land entitlement for the Petersburg Borough; and providing for an effective date."

- MOVED SB 28 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 28

SHORT TITLE: MUNICIPAL LAND SELECTIONS: PETERSBURG

SPONSOR(S): SENATOR(S) STEDMAN

01/20/17	(S)	READ THE FIRST TIME - REFERRALS
01/20/17	(S)	CRA
02/02/17	(S)	CRA AT 3:30 PM BELTZ 105 (TSBldg)
02/02/17	(S)	Heard & Held
02/02/17	(S)	MINUTE(CRA)

WITNESS REGISTER

MELISSA KOOKESH, staff
Senator Bert Stedman
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Commented on SB 28 on behalf of the sponsor.

MARTY PARSONS, Deputy Director
Division of Mining, Land, and Water

Department of Natural Resources (DNR)
Anchorage, Alaska
POSITION STATEMENT: Commented on SB 28.

ACTION NARRATIVE

[3:30:20 PM](#)

CHAIR CLICK BISHOP called the Senate Community and Regional Affairs Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators MacKinnon, Stedman, Gardner, and Chair Bishop.

SB 28-MUNICIPAL LAND SELECTIONS: PETERSBURG

[3:31:14 PM](#)

CHAIR BISHOP announced consideration of SB 28. He noted the committee had been waiting on a revised fiscal note from the Department of Natural Resources (DNR).

[3:31:53 PM](#)

SENATOR MACKINNON asked for a brief description of what the bill does.

[3:32:36 PM](#)

MELISSA KOOKESH, staff to Senator Bert Stedman, sponsor of SB 28, Alaska State Legislature, Juneau, Alaska, said SB 28 will set the total general land entitlement for the Petersburg Borough at 14,666 acres, an increase of 12,770 acres from its current level of entitlement, and would bring the Borough's land entitlement to a level similar to the other 15 organized boroughs in the state. SB 28 will address the long-term economic sustainability of a recently formed borough.

[3:33:14 PM](#)

She read the following statement:

When the Borough formed in 2013, it received a general land grant entitlement from the state of 1,896 acres. Of the 1,896 acres, 457 acres had already been given to the City of Petersburg. A substantial part of the 457 acres is restricted to public, charitable, or recreational use.

After deducting the 457.47 acres that went to the City, the Borough's land entitlement is 1,438 acres which is an area roughly a third the size of the Anchorage International Airport. This 1,438 acres

simply does not provide enough land to support economic development such as rock and sand material sites for roads, airports, waterfront land for tourism development, or residential homes.

The Borough would select the additional 12,770 acres from seven different areas around the Borough. All selections would be made from vacant, unappropriated, and unreserved state lands. No selections would interfere with existing State, University, or Alaska Mental Health Trust lands, including the Southeast State Forest, or private ownership.

[3:35:21 PM](#)

SENATOR MACKINNON thanked Mr. Parsons for trying to value the property that has not been subdivided on the fiscal note, but the full selection amount is multiplied and this bill is only for 12,770 acres. She asked if she should use the \$68,638,750 number or the \$78,829,750 number for the full acre valuation - unless the original designation hadn't been accounted for.

MARTY PARSONS, Deputy Director, Division of Mining, Land, and Water, Department of Natural Resources (DNR), said their analysis was based on the entire 14,666 acres, so that would be the \$78 million-plus-change.

SENATOR MACKINNON asked if the Petersburg Borough would receive 14,666 acres or 12,770 acres in this bill.

MR. PARSONS answered in this bill they have asked for the entire allotment of 14,666 acres and that is what they would be receiving. The other number is less what the original entitlement would have been.

SENATOR MACKINNON asked if they had selected their original acreage.

MR. PARSONS answered yes.

SENATOR MACKINNON said she didn't understand why the additional acreage would be included in the fiscal note. It says: "Historically, municipal land transfers have not been reported as having a negative fiscal impact or as an appropriation. However, a rough estimate of the monetary value of this expanded land transfer based on indicated value in the area is \$5,375 per acre." She believed the next multiplier overstates what this bill does and asked "Wouldn't it be reasonable to have the

12,770 acres that is the change in this bill for this fiscal note versus the entire allocation?"

MR. PARSONS responded that he could do that calculation. They were estimating the entire entitlement that Petersburg would receive, which is the 1,400 plus the additional to get to the 14,666 acres. It's a total of all land that would be conveyed.

[3:39:09 PM](#)

CHAIR BISHOP opened public comment on SB 28.

CHAIR BISHOP, finding no further questions, closed public testimony on SB 28.

[3:40:00 PM](#)

At ease

[3:41:00 PM](#)

SENATOR MACKINNON said the department indicates no anticipated operating costs, employee increases, or capital expenditure for FY18-FY23 and on page 2 the DNR does not anticipate any direct fiscal impact to adjudicate selections under the proposed legislation. Additionally, there will be some travel costs for land inspections under the proposed entitlement but that will be absorbed by the department. There are only 12,770 acres associated with this transaction. So, she moved to delete language on the last line of the fiscal note that states the average value in the area is set at \$5,375 per acre and in parenthesis multiplies that by "14,666 acres" and insert "12,770 acres," which should then equal \$68,638,750. There were no objections and the amendment was adopted.

CHAIR BISHOP said he would ask for a clean amended fiscal note from the department going forward.

SENATOR MACKINNON moved to report SB 28, version 30-LS0045\D, from committee with individual recommendations and attached amended fiscal note that begins "SB028-DCCED-DCRA-1-27-17 and SB028-DNR-MLW-1-30-17.

CHAIR BISHOP found no objection, and SB 28 moved from the Senate Community and Regional Affairs Standing Committee.

[3:43:52 PM](#)

At ease

[3:45:00 PM](#)

CHAIR BISHOP adjourned the Senate Community and Regional Affairs
Standing Committee meeting at 3:45 p.m.