

ALASKA STATE LEGISLATURE
SENATE TRANSPORTATION STANDING COMMITTEE

March 12, 2019

1:31 p.m.

MEMBERS PRESENT

Senator Shelley Hughes, Chair
Senator Mike Shower, Vice Chair
Senator David Wilson
Senator Peter Micciche
Senator Jesse Kiehl

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 54

"An Act approving the transfer of certain Alaska Railroad Corporation land; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 54

SHORT TITLE: ALASKA RAILROAD CORP. LAND TRANSFERS

SPONSOR(S): SENATOR(S) COGHILL

02/13/19	(S)	READ THE FIRST TIME - REFERRALS
02/13/19	(S)	TRA, FIN
03/12/19	(S)	TRA AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

RYNNIEVA MOSS, Staff
Senator John Coghill
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced SB 54 on behalf of the sponsor.

JON COOK, Chair
Board of Directors

Alaska Railroad Corporation
Anchorage, Alaska
POSITION STATEMENT: Supported SB 54.

PETER GRUNWALDT, Owner
Alaska Tourism Development, LLC
Premier Alaska Tours, Inc.
Anchorage, Alaska
POSITION STATEMENT: Supported SB 54.

ANDY BEHREND, Chief Counsel
Alaska Railroad Corporation
Anchorage, Alaska
POSITION STATEMENT: Supported SB 54.

ACTION NARRATIVE

[1:31:13 PM](#)

CHAIR SHELLEY HUGHES called the Senate Transportation Standing Committee meeting to order at 1:31 p.m. Present at the call to order were Senators Wilson, Micciche, Kiehl, and Chair Hughes. Senator Shower joined shortly thereafter.

SB 54-ALASKA RAILROAD CORP. LAND TRANSFERS

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CHAIR HUGHES announced the consideration of SENATE BILL NO. 54 "An Act approving the transfer of certain Alaska Railroad Corporation land; and providing for an effective date."

[1:31:54 PM](#)

RYNNIEVA MOSS, Staff, Senator John Coghill, Alaska State Legislature, Juneau, Alaska, stated that in 2017, Senator Coghill introduced SB 86 that originally would have allowed the Alaska Railroad Corporation to sell property without permission from the legislature. That is in statute. The [Senate] approved a version of the bill that had a pilot program to allow the railroad to do this for three years and then report to the legislature on their actions to see if they could have a permanent exemption from that approval. SB 86 died in the House Labor and Commerce Committee, but the Senate and House Finance Committees felt it was important to put more land in private ownership and allow economic development. They both had a committee substitute in the last days of the session that

included five specific land sales that the Alaska Railroad Corporation Board of Directors had approved. Private entities also asked to be allowed to negotiate with the railroad on two potential land sales. Those were a nonprofit housing corporation and Lynden Transport.

MS. MOSS said in doing all of that the last two days of the session, she used the wrong acreage for the Otto Lake property. She was under the impression that they were going to sell the existing lease, but they were selling the whole plot, which left about 18 acres unaccounted for in the approval by the legislature. SB 54 merely gives legislative approval for the 18 acres that were missed in HB 119.

MS. MOSS noted that the committee packets had the annual railroad report to the House and Senate Resources Committees required by HB 119. The report has a brief update on the land sales the railroad is involved in.

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SENATOR KIEHL clarified that this did not involve land the railroad ran on. He asked if it is railroad reserve land.

MS. MOSS answered yes; this is railroad reserve land that is not necessary for operations, as required by statute.

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SENATOR MICCICHE clarified that the legislation is about Parcel B depicted on the map in the committee packets.

MS. MOSS agreed.

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JON COOK, Chair, Board of Directors, Alaska Railroad Corporation, Anchorage, stated that as Ms. Moss explained, this bill just cleans up a transaction that was approved by the board and legislature. It was a late session error. Construction will begin in 2019 of a large hotel complex in the Otto Lake area in Healy. He hoped it will be done in an expedited manner because as the old construction saying goes, one day in May is worth three in October.

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PETER GRUNWALDT, Owner, Alaska Tourism Development, LLC, Premier Alaska Tours, Inc., Anchorage, said they are working with architects to develop drawings for a motor coach maintenance facility, a boat house, conference center, and a 300-room hotel.

They had proceeded with the sale purchase with the Alaska railroad last year for 47 acres. At the end of the session they got 26 acres instead of 47 because of a clerical error. They are looking to start building a maintenance facility in May. That sits on the adjacent 17 acres that have not been transferred over yet. Anything that would permit that would be helpful.

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At ease

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CHAIR HUGHES opened public testimony on SB 54,

[1:41:54 PM](#)

ANDY BEHREND, Chief Counsel, Alaska Railroad Corporation, Anchorage, said SB 54 was strictly to correct an inadvertent error. The board had approved the sale of the full area.

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CHAIR HUGHES closed public testimony.

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SENATOR SHOWER said that in Finance that morning the committee discussed something involving AIDEA [Alaska Industrial Development and Export Authority] and the Denali south campground. He asked if this was that area.

MS. MOSS replied no, that is on the south side of Denali. Otto Lake is on the north side near Healy.

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CHAIR HUGHES held SB 54 in committee.

[1:43:34 PM](#)

There being no further business to come before the committee, Chair Hughes adjourned the Senate Transportation Standing Committee at 1:43 p.m.