

HB

412

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 412

Revision Date _____	Dept. Affected <u>DOT&PF</u>	
Title <u>Transfer Railroad Land To Whittier</u>	BRU <u>Commissioners Office</u>	
	Component <u>Office of the Commissioner</u>	
Sponsor <u>Representative Cowdery</u>		
Requester <u>H TRA</u>	Component Serial No. <u>530</u>	

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (Specify Type)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: 0.0

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: *(Attach a separate page if necessary)*

Prepared by	<u>Dennis Poshard, Special Assistant</u>	Phone	<u>465-3900</u>
Division	<u>Commissioners Office 12</u>	Date	<u>3/3/98</u>
Approved by	<u><i>[Signature]</i></u> Commissioner	Date	<u>3/3/98</u>
Agency	<u>Department of Transportation and Public Facilities</u>		

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**Road access
to Whittier will**

BE IMPROVED

**this small community
with needs for added
infrastructure.**



How will tiny Whittier cope with HUNDREDS OF THOUSANDS of visitors?

MILLIONS OF UNDEVELOPED DOLLARS MUST BE INVESTED SOON.

■ Planning Document Update

Update of the City of Whittier's 1995 comprehensive plan is crucial. Detailed outlines of goals and policies, public needs, anticipated growth, and necessary development are needed *now*.

\$0.2M

■ Water/Sewer/Streets Upgrades

Upgrade of water, sewer, and streets is urgent. Sewer and water services are in violation of EPA regulations. Easements for utility upgrades may be difficult to acquire: The Alaska Railroad Corporation (ARRC) has not granted easements for existing utility operations on its property. Whittier's 14 miles of main roads (10 miles paved) are ARRC-owned, and city employees must trespass to maintain them. Road erosion is reaching critical proportions, threatening to cut off the town from the railroad tunnel.

\$4.7M

■ Ferry Terminal Reconstruction

With road access, major reconstruction of the ferry terminal and dock will be needed. The city has requested regular service of the *MVs Bartlett* and *Kennicott* - if dock reconstruction can be completed.

\$4.5M

■ Community Services Expansion

Police protection, fire and rescue, health care, and recreation opportunities need to be expanded, and public parking and transportation should be instituted. There are 4 times as many calls for volunteer EMT assistance in summer than in winter, and volunteers cannot respond to all emergencies. Upon road completion, the Alaska Department of Transportation & Public Facilities will require the city to employ 2 EMT-3s and certified fire-fighting staff. A contract physician from Kenai is trying to provide service to the city clinic in Begich Towers 2 days a week.

\$1.5M

■ Small Boat Harbor Expansion

The Whittier Small Boat Harbor, with 332 berths and 100 parking spaces, operates beyond capacity and will need extensive improvements. More than 750 vessels are on the harbor wait list for permanent moorage, and the list is continuing to grow by about 21 vessels a month. Most wait list customers are Anchorage residents. The city will assume ownership of the harbor, and expansion will be needed to accommodate increased private, excursion, and charter traffic.

\$15.5M

■ Government Facility Improvements

New government facilities are needed to meet community requirements and comply with federal regulations. (*All* city facilities contain asbestos and are non-ADA-compliant.) City offices are in 4 apartments in Begich Towers, a residential building. Council chambers (in another building) with no telephone/teleconference capabilities also serve as courtroom, fire hall, and a meeting place for the planning commission, port and harbor commission, and emergency training. When the facility has been unusable because of roof leaks, lack of heat, or flooding, meetings have been held at a local bar.

\$2.5M

■ Roadside Enhancements

Day use is expected to increase from an annual average of 17,000 to 74,000 in the first year the road is open. Urgently needed enhancements include a third boat ramp and more and improved campsites. Bank fishing areas, bike paths, sidewalks, parking, picnic tables, waste facilities, and trash collection for visitors are necessary but *nonexistent*. Two existing boat ramps are over-utilized. Unimproved campsites behind Begich Towers accommodate only 12 medium-sized campers. There are no dumpstations or water/electrical hookups for RVs. The state will complete 6 miles of hiking trails in Shotgun Cove in 1998, but more are needed. Areas that could be developed for enhancements are on state lands and would require site control.

\$3.0M

■ Environmental Stewardship

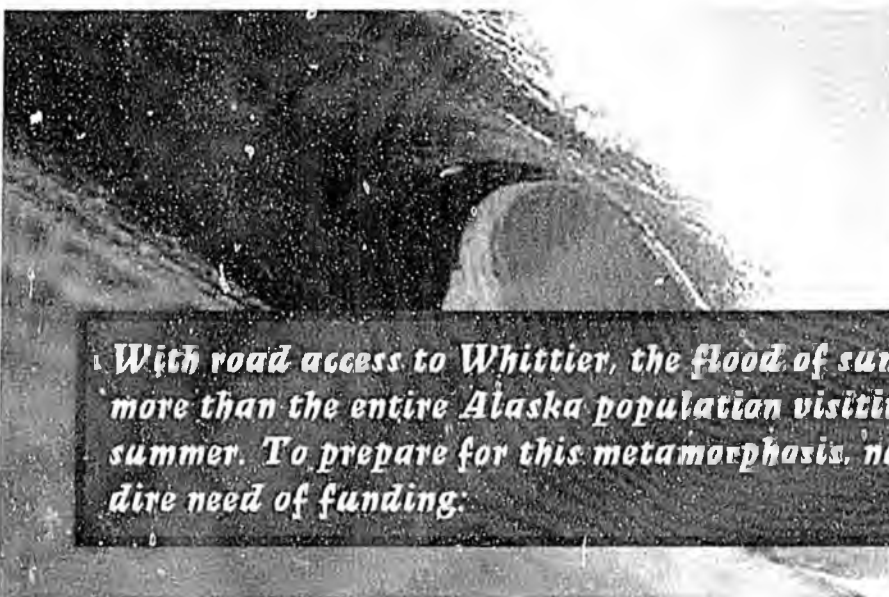
Environmental concerns are extensive and solutions will be costly. Increased human presence may complicate existing concerns, inhibiting private development and exacerbating regulatory compliance issues. Three FUDS (the harbor, the tank farm, and the former military power generation site) are designated for cleanup, and there are numerous potential cleanup sites.

\$25.0M

■ Encouragement of Private Sector

Programs such as marketing, promotion, grants, and loans would enable private businesses to undertake some of the development projects required in Whittier. Available lands are scarce, and acquisition of state-owned land is crucial to allow leasing to support new enterprises. Development of food service, lodging, transportation, and community services will enhance the visitor's experience at Whittier.

\$1.5M



With road access to Whittier, the flood of summer visitors will be akin to more than the entire Alaska population visiting the 600-acre townsite every summer. To prepare for this metamorphosis, numerous improvements are in dire need of funding.

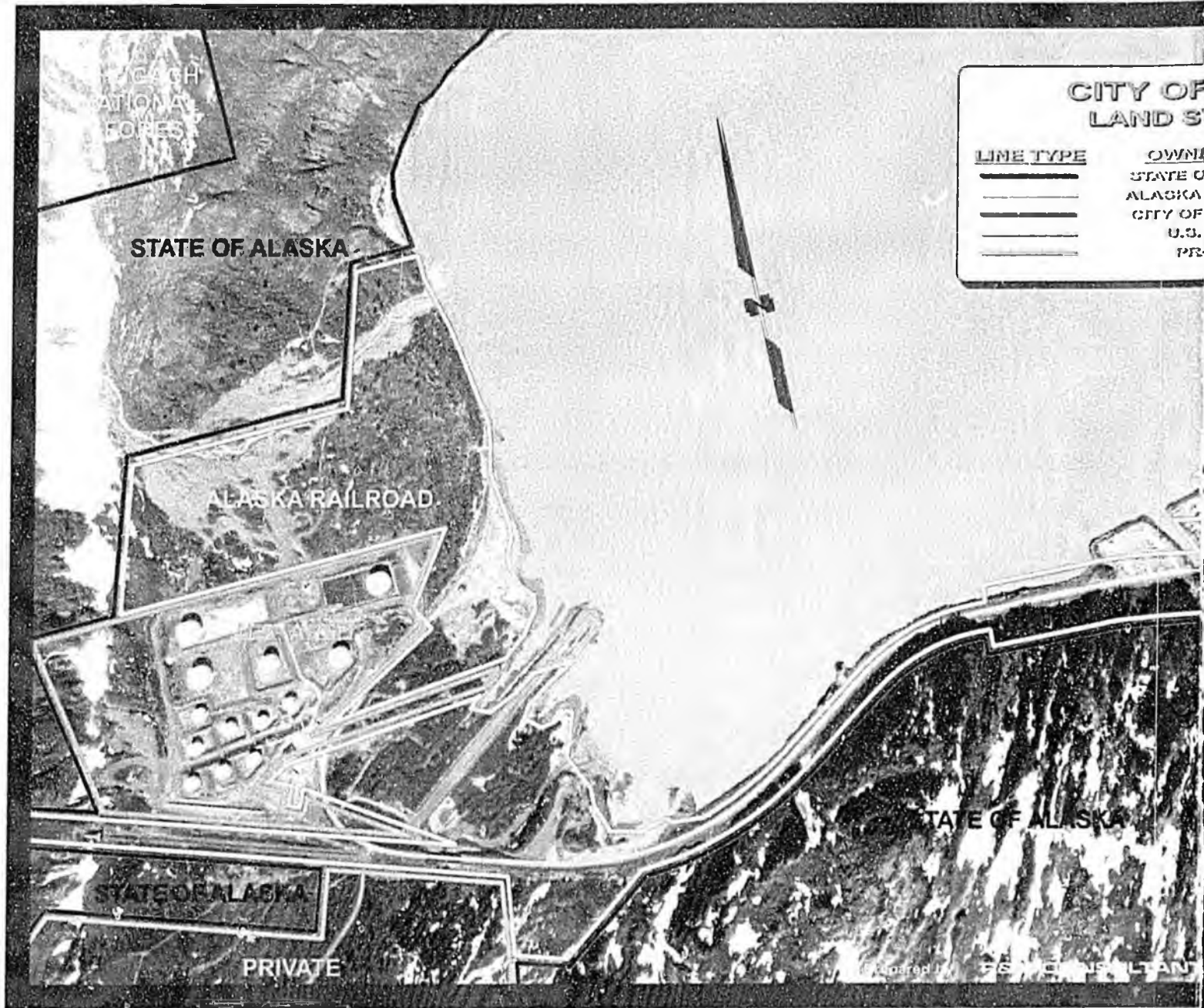
- **Planning Document Update**
- **Water/Sewer/Streets Upgrade**
- **Ferry Terminal Reconstruction**
- **Community Services Expansion**
- **Government Facility Improvements**
- **Small Boat Harbor Expansion**
- **Roadside Enhancements**
- **Environmental Stewardship**
- **Encouragement of Private Sector**



The City of Whittier

*Detailed documents on individual projects available on request.
For information contact:*

Carrie L. Williams, City Manager, City of Whittier
P.O. Box 608, Whittier, Alaska 99693
Tel.: (907) 472-2337 Fax: (907) 472-2404
E-mail: jqfv74a@prodigy.com

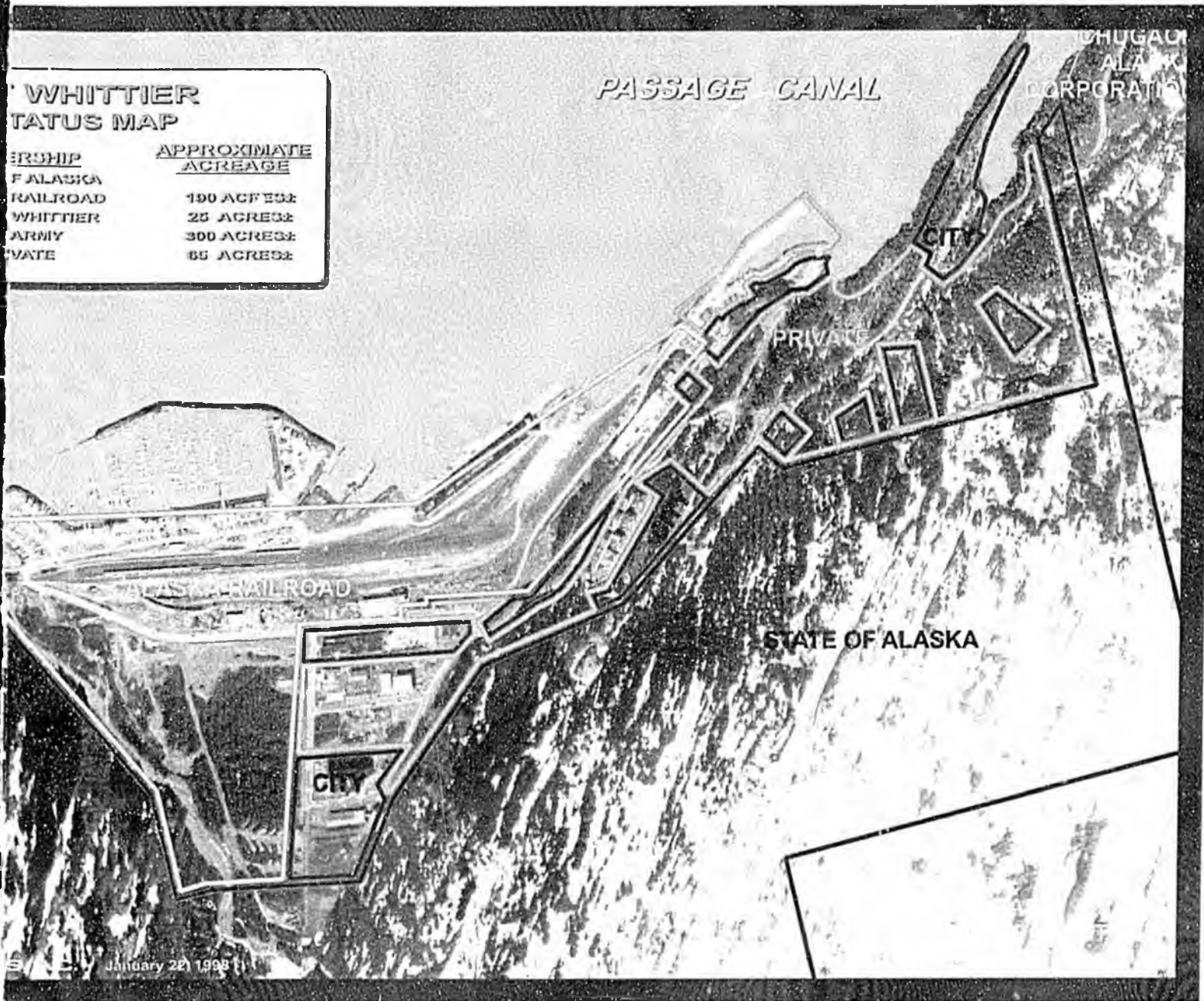


A ROAD CONNECTING WHITTIER WITH ALASKA HIGHWAYS, open Prince William Sound to Southcentral Alaska and visitors from out of state, resulting in a 10-fold increase, and the Alaska Department of Transportation & Public Safety estimates that the number of visitors will increase to 897,000. State encouragement of road access must be supported with critical

Whittier is on a delta on the south shore of Passage Canal in Prince William Sound. The town is bordered by mountain ridges, state and federal lands, and the Chugach National Forest. During the first year of road access, this community of 297 persons is expected to be inundated with 897,000 visitors, more than 10 times the average annual number of visitors received previously. Whittier will be unable to provide necessary services without major outside investment. Visitors will burden the already overloaded community with requirements for parking, rest areas, campsites, water, sewer, boat launches, trails, parks, lodging, transportation, boat dockage, public safety, health care, public information, food service, and

WHITTIER STATUS MAP

LANDSHIP	APPROXIMATE ACREAGE
STATE OF ALASKA	190 ACRES±
RAILROAD	25 ACRES±
WHITTIER ARMY	300 ACRES±
PRIVATE	65 ACRES±



is planned for completion in 2000. The road was funded primarily to outside the state. During the first year Whittier expects 897,000 visitors, Public Facilities estimates that the average daily traffic count will reach fully needed infrastructure, services, and economic development.

much more. The taxable land base and city sales tax proceeds are inadequate to fund the community services that will be needed. Annual City of Whittier revenue from all sources is approximately \$650,000. The core community area of about 600 acres includes only about 300 acres of private land. Available private properties in Whittier are steep, rocky lots on which construction is difficult and expensive. Railroad leasehold properties are taxable, but state and federal lands are not. Expected population increases with road access will not generate the taxes and other contributions needed to pay for police, fire, water, sewer, or emergency medical services.

WHITTIER FACTS

Status

Classification	Second Class City
Year of Incorporation	1969
Population	297
School District	Chugach Rural Education Attendance Area
Form of Government	City Manager
Native Corporation	Chugach Alaska Corporation

Land Area Within City Core

Total Area	577 acres (excluding right-of-ways)
Federally Owned	65 acres
State-owned	90 acres (includes railroad)
City-owned	22 acres
Private	300 acres

Economics

Annual Municipal Revenue	\$650,000 (all sources)
Median Household Income	\$33,636 (1990 Census)
Primary Employers	Alaska Railroad Corporation, State of Alaska, City of Whittier, Chugach Rural Education Attendance Area
Housing	Beigh Towers houses 90% of the population.

Services

Public Water System	Serves 98.4% of households
Public Sewer System	Serves 96% of households
Heating	100% of households use fuel oil or kerosene
Police	3 full-time officers, including Director of Public Safety
Fire/Ambulance	1 fire truck, 7 volunteer firemen (4 certified EMTs)
Medical	City-owned clinic with one part-time employee; periodic visits by contract physician from Kenai
Search and Rescue	None
Dental	None
Mental Health	None
Public Transportation	None
Airline	None (short emergency strip owned by Alaska Department of Transportation & Public Facilities)
Taxi/Car Rental	None
Visitor Accommodations	40 rooms (bed-and-breakfasts and hotels)
Visitor Information	None
Recreational / Cultural	No movie theater, youth center, or community hall. Museum not open. Public library hours depend on volunteer availability.

**CITY OF WHITTIER PETITION FOR LEGISLATIVE
SUPPORT**

H.B 412

WE THE UNDERSIGNED, AS CITIZENS OF THE CITY OF WHITTIER, ASK THE ALASKA LEGISLATURE TO SUPPORT THE TRANSFER OF ALL NON-RAIL ESSENTIAL LANDS FROM THE ALASKA RAILROAD CORPORATION TO THE CITY OF WHITTIER, THEREBY PROVIDING SECURITY FOR PUBLIC SERVICES AND LAND FOR ECONOMIC GROWTH & DEVELOPMENT, FOR ALL THE CITIZENS OF WHITTIER AND THE 1.5 MILLION ANNUAL VISITORS (DOT-EIS '95) EXPECTED TO ARRIVE WITH ROAD ACCESS.

NAME

ADDRESS

PHONE

NAME	ADDRESS	PHONE
William Coumb	Box 690 Whittier	472-2365
JOSEPH S. GRAY	P.O. Box 613 Whittier	472-2431
Donald Van Buren, Jr.	P.O. Box 650 Whittier	472-2565
J. J. Enterprise	P.O. Box 631 Whittier	472-2466
Mason D. W. Wilson	P.O. Box 635 Whittier	472-2529
Edith	P.O. Box 726 Whittier	472-2367
STYLIANOS N. MARIOTRAKAKIS	P.O. Box 694 Whittier-AK	99693
Karen E. Sullivan	P.O. Box 762 Whittier	99693
Jim Korman	P.O. Box 707 Whittier	99693
Rene Sanchez	P.O. Box 783 Whittier	AK 99693
James D. Stephens	P.O. Box 664 Whittier	AK 99693
Frank W. Jones	P.O. Box 746 Whittier	AK 99693
Ed J. J. J.	RT #1404 Whittier	99693
Edith C. Rob	P.O. Box 702 1405 Whittier	99693
Tina MacDonald	P.O. Box 797 Whittier	99693
Brenda Cowan	P.O. Box 690	" 472-2365
Carrie L. Williams	P.O. Box 608	" 472-2549
Richard Arneson	Box 778	Whittier 472-2441
Charlene B. Arneson	Box 778	Whittier 99693 472-2241
Dale Arneson	Box 664	Whittier 472-2428
Georgia West	Box 790	Whittier
James P. J.	Box 646	Whittier
Pete J. J.	Box 703	Whittier 472-2493
Melba Saugo	Box 781	" 472-2354 v100

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CITY OF WHITTIER PETITION FOR LEGISLATIVE SUPPORT

OR VISITORS OF WHITTIER,

WE THE UNDERSIGNED, AS CITIZENS OF THE CITY OF WHITTIER, ASK THE ALASKA LEGISLATURE TO SUPPORT THE TRANSFER OF ALL NON-RAIL ESSENTIAL LANDS FROM THE ALASKA RAILROAD CORPORATION TO THE CITY OF WHITTIER, THEREBY PROVIDING SECURITY FOR PUBLIC SERVICES AND LAND FOR ECONOMIC GROWTH & DEVELOPMENT, FOR ALL THE CITIZENS OF WHITTIER AND THE 1.5 MILLION ANNUAL VISITORS (DOT-EIS '95) EXPECTED TO ARRIVE WITH ROAD ACCESS.

Table with 3 columns: NAME, ADDRESS, PHONE. Contains handwritten entries for Michael J. Boudin, Doris V. Bend, Tina F. Parker, and Laurie H. Sutton, followed by empty rows.

10

CITIZENS OF ALASKA PETITION FOR LEGISLATIVE SUPPORT

WE THE UNDERSIGNED, AS CITIZENS OF ALASKA, WHO ARE BOAT OWNERS AND VISITORS TO WHITTIER AND PRINCE WILLIAMS SOUND, ASK THE ALASKA LEGISLATURE TO SUPPORT THE TRANSFER OF ALL NON-RAIL ESSENTIAL LANDS FROM THE ALASKA RAILROAD CORPORATION TO THE CITY OF WHITTIER, THEREBY PROVIDING THE CITY WITH THE ABILITY TO INCREASE PUBLIC SERVICES AND MAKE LANDS AVAILABLE FOR ECONOMIC GROWTH & DEVELOPMENT, FOR ALL THE CITIZENS OF ALASKA AND THE 1.5 MILLION ANNUAL VISITORS (DOT-EIS '95) EXPECTED TO ARRIVE WITH ROAD ACCESS.

NAME	ADDRESS	PHONE
ANDRON MARTUSHEFF	ANCHOR POINT AK Box 227	235-3789
R. VRSAovic	P.O. Box 709 Whittier AK. 99683	472-2508
Theodore Bayon	P.O. Box 605 Whittier AK 99693	472-2384
Brenda Small	Box 777 Whittier AK. 99693	472-2533
William Jufft	Box 609 Whittier AK 99693	2492
Don G. Scott	Box 661 Whittier AK 99993	472 2507
W. A. Tolm	Box 609 Whittier AK 99693	472 2492
David E. Morrison	Box 671443 Chugiak, AK 99567	688-6180
Cheri Morrison	Box 671443 Chugiak, AK 99567	695-6180
Dickens Carter	12644 Galleon Cir ANC 99515	345-3192
REBA CARTER	12641 GALLEON CIR ANC AK 99515	345-3182
Ron Dake	PO Box 611 Whittier AK 99693	472 2335
Ronald A. Tresham	176 E. Park Ave. Wasilla AK. 99654	907-376-3041
Kenneth W. Barber	Box 7330 Palmer AK 99645	907-945-4446
NATHAN MAY	PO Box 81961 Wasilla AK 99607	
Jordan May	HC 03-8838-2 Palmer AK 99645	
Stephanie May	HC 03-8438-2 Palmer AK 99645	
Suzanne B. Pusden	P.O. Box 1661 Whittier AK 99693	907-472-2507
Kevin C. Zee	HC03 Box 8385 PALMER AK 99645	746-0868
Don Zee	P.O. Box 612 Whittier AK 99693	

SPONSOR STATEMENT

Representative John J. Cowdery

The purpose of HB 412 is to mitigate an emergency for the City of Whittier by transferring land that is non-essential to railroad operations to the city. Whittier has had long standing problems in getting control of land needed to carry out its governmental functions. The land it needs for water, sewer, utilities, docks, harbors, parking and traffic control is owned by the Alaska Railroad Corporation. The city can't plan, invest in capital projects or apply for grant money because the land they operate on is leased from the ARRC and subject to short term cancellation. The city plows snow from city streets that are technically owned by the railroad. After more than two years of negotiating with ARRC, and expending over \$200,000, the City of Whittier is no closer to gaining control of its land than when they started.

There are about 600 acres of developable land in central Whittier. Alaska Railroad Corporation owns 190 acres, of which 45 +/- are necessary for their operation. The U.S. Army owns 300 acres. Private landowners have 65 acres. The City of Whittier owns a mere 25 acres.

The emergency aspect comes in to play when the new tunnel and road to Whittier are completed on schedule, 18 months from now. DOT/PF anticipates an impact of 5000 cars per day to hit Whittier. Even if they are half right, 2500 cars and people per day are an insurmountable problem for a community of 250 people that can't control its land base. Planning funds promised to the city from DOT/PF and ARRC have not been provided and ARRC pays no taxes to offset costs they impose on the city. In Whittier's case, the proverbial light at the end of the tunnel is a stream of cars, 18 months and one construction season away. The public health and safety cannot be maintained without equipping the local government with control of its public facilities.

It has become apparent the ARRC will not willingly give up land to the City of Whittier. It will be impossible for the City of Whittier to develop if its core area is owned by a hostile agency of the state of Alaska. HB 412 will correct the imbalance while allowing the railroad to keep land it needs for its own operations.



THE CITY OF WHITTIER

Gateway to the Western Prince William Sound

P. O. Box 608 • Whittier, Alaska 99693 • (907) 472-2327 • Fax (907) 472-2404

February 12, 1998

Representative John Cowdery
Alaska House of Representatives
Juneau, Alaska

Re: City of Whittier, Request for Legislative Bill Introduction

Dear Representative Cowdery;

The City of Whittier requests introduction of a bill in support of Municipal land acquisition of all non-rail essential Alaska Railroad lands within the City of Whittier.

The City has been fortunate in legislative support of the Whittier Access Road project, however with this rapidly approaching new improved access comes advantages and responsibilities. Not only the responsibility to provide basic services of safe water, sewer, streets and public safety, but also the requirement to make available adequate parking, visitor services, public amenities and harbor/marine services. We believe many of these requirements can be met by a joining of public support and private economic development projects.

The citizens of Whittier wish to meet their responsibilities for the future but with a mere 25 acres of municipal land and nearly all (190 acres) of the developable land held by the ARRC we are not able to provide economic development or public amenity areas.

Over the past two years the City has spent in excess of \$200,000 in attempts to negotiate leases with the ARRC.

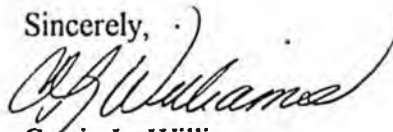
Although a request for legislation has been considered in the past, the community has chosen to attempt negotiations with the ARRC. It has become abundantly clear that legislative intervention is the only remaining way to provide for the rapidly increasing demands when the "Road to Whittier" (April 2000, 18 months) will open Prince William Sound to the world.

The enclosed Council Resolution 508-97 encapsulates the community's resolve to take a pro active position on this matter. Your support and introduction of land acquisition legislation,

Representative Cowdery
February 12, 1998
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on behalf of the public users of Alaska, is sincerely appreciated. Please do not hesitate to call for any required documentation in support of this request.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carrie L. Williams".

Carrie L. Williams
City Manager

Enclosure

**CITY OF WHITTIER
CURRENT STATUS , ISSUES OF
ALASKA RAILROAD MEETING 12/22/97**

Issue I: Compliance to local Planning and Zoning

Result: As of this date only signed letter of commitment dated 12/31/97, ARRC, agreeing to compliance with City planning and zoning ordinance. No new ARRC projects have been brought before the administration of P & Z for review and we are unaware of any which may be currently planned.

Issue II: Fish Pond Project, public amenity area lease

Result: City has received a letter agreeing to lease area to City in support of project under "standard" public amenity lease. After review of blank standard amenity lease by city attorneys and administration there are several items in the standard form which constitute substantial risk to the City (i.e.: cancellation at will of the ARRC, with all improvements retained by the railroad without compensation to investor. Lease rate based upon adjoining property usage, if adjoined property is commercial the public amenity rate of the City would change to commercial rates etc.) The City will need substantial change to the standard policy amenity lease before we would be able to accept such an agreement.

Issue III: Water/Sewer/Storm Sewer Easements

Result: The City substantially revised the draft water/sewer/storm sewer license prepared by ARRC. We believe a final agreement has been reached but have not yet received the final version of the document.

Issue IV: Street Easements

Result: Nothing concerning streets has been received. ARRC's legal counsel has identified this as the next project to work on. No easement, license or maintenance agreement is in place and City remains at risk and still must trespass to provide daily maintenance, snow plowing and services to continue to provide citizens access to the harbor and the rail station area.

Issue V: Emergency Plan Update & Training, with Local Public Safety

Result: A copy of the complete ARRC emergency plan, apparently for all of Alaskan operations has been received, with no further explanation. There has been no contact, from railroad officials, or scheduling for coordination of training between Whittier public safety and any division of ARRC.

Issue VI: ARRC, Viking Harbor Feasibility Review, Due by 2/1/98

Result: Information was gathered from the harbor master, by the railroad. As of this date the ARRC has made inquiry to Corps of Engineers to assess the possibility of becoming a direct project sponsor. City legal counsel has given written reminder to the railroad as to their contractual obligation to the City. No response has been received.

**CITY OF WHITTIER
CURRENT STATUS, ISSUES OF
ALASKA RAILROAD MEETING 12/22/97**

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Issue VII: Capital Funding Support

Result: The ARRC has provided no written or oral support for Whittier Capital Funding needs to any party we are aware of either at the State Administration or Legislative level.

Issue VIII: FUDS, Federal Legislative Support

Result: The City has not been copied on or received any evidence of communication that may have taken place between the ARRC and any agency, federal or state, concerning the need to continue the federally funded clean up of military related haz-mat in Whittier. This support would benefit the railroad and the City and ARRC support would be of value.

Issue IX: Whittier Joint Planning Effort

Result: The ARRC has budgeted for \$50,000. to apply toward planning efforts. Commissioner Perkins, Department of Transportation has also stated that a matching amount would be committed and control by the DOT to begin a planning process for Whittier and road impact issues. The first meeting to develop the scope of work was held at the DOT on 2/25/98 and was attended by Mr. Blasingame, ARRC, Mark Mayo, DOT (several other DOT representatives) and Carrie Williams, City of Whittier.

Issue X: R V Park, Lease Renewal

Result: No renewal or extension of existing RV park lease has been received (expiration 4/2000). The City has requested renewal with adequate terms to allow for capitalization of needed improvements. Standard public amenity lease, again, would pose too great a risk and would require change before approval.

Issue XI: Public Safety Agreement/Improved Community Relations

Result: No action of any type to date. ARRC department of security and transportation was to meet with Whittier emergency services and correct communications and clarify need for priority passage of emergency vehicles. Recent events have provided no notification of track removal (last incident 2/10/98) providing delay in ambulance transport. Education of ARRC employees to improve working relationship between City and rail staff in areas of current conflict (road maintenance, snow removal & rail outage notification).

**CITY OF WHITTIER
CURRENT STATUS , ISSUES OF
ALASKA RAILROAD MEETING 12/22/97**

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Issue XII: Water Well Protection

Result: The current ARRC water/sewer/storm sewer license should provide protection of well site. Also, to be addressed was current set backs (200 feet) of potential hazardous materials from wells, this set back is not being met by rail road lessees. Environmental division of ARRC has not responded to correcting this issue and no change in operations in water well area has been observed.

Issue XIII: Erosion of Whittier Street

Result: No contact has been made by construction management of ARRC to address the erosion of the road at Whittier Creek. This property is wholly owned and controlled by the railroad and the DOD permit is still existing. As noted previously, street issues have not received any response from the ARRC but apparently is the next issue to be addressed.

Issue XIV: Head of Bay, Upland Lease Request

Result: The request to lease property previously under "intent to lease ('96)" has had no response. This issue has been previously discussed on several occasions since July of '97. These lands would provide the ability to access tidelands and develop current DNR (orig. BLM) 40 acre campsite and provide additional boat launch facilities.

Issue XV: Sales Tax, Reports and Payment

Result: Report on 3% taxable leases has been received and projected obligation stated, however no payment has been received to date (due 10/10/97).



THE CITY OF WHITTIER

Gateway to the Western Prince William Sound

P.O. Box 608 • Whittier, Alaska 99693 • (907) 472-2327 • Fax (907) 472-2404

MEMORANDUM

To: Representative John Cowdery

From: Mayor Bill Coumbe

Date: February 27, 1998

Subject: February 25, 1998 DOT/Alaska Railroad Meeting

Mark Mayo of the Alaska DOT asked me and Carrie Williams, the city manager, to attend a meeting with DOT and ARRC representatives. We were told that the purpose of the meeting was to address specific land use and land planning concerns of the City including site control for water, sewer, streets and other improvements required to satisfy both short term and long term needs of the City. The emphasis, we were told, would be on addressing short term needs arising from the opening of the road. Finally, several people in Juneau and Anchorage said that we could expect to hear about "positive results" in addressing many of the city's past concerns, and one person informed us that "we would be extremely happy and excited" about the matters which would be presented at this meeting.

I must tell you that virtually nothing happened at the meeting (which lasted only about 40 minutes). The first part of the meeting was mostly a discussion between ARRC and DOT about the cooperative agreement between them and the mechanics of transferring funds between the two agencies to pay for the work. The next topic was a discussion about the scope of work which DOT had drafted prior to the meeting. Carrie Williams and I raised a concern of the City's that using HDR as the planning consultant might create conflicts of interest because HDR was a consultant to one of the fiber optic cable companies and was helping that company place its cable in a location that is very undesirable to future economic development of Whittier's tidelands. In addition, we pointed out that HDR has a long term, large contract to do work for DOT and explained that under the circumstances the City felt that HDR will not be as responsive to the City's needs and views, as it will be to DOT and its fiber optic cable client. The City felt a more neutral party should be hired. The City's concerns were noted but HDR is being hired to do the work.

No substantive matters were discussed and no new policies or actions were announced or discussed. I left this meeting feeling that the City was not going to be an equal participant in the

Representative Cowdery
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planning effort. Even more importantly, the meeting made me feel that the planning effort would be a slow, lengthy effort that would be very heavy with "process" and very light on practical, useful ideas and guidance for solving Whittier's short term needs. I was disappointed, especially in light of the high hopes that had been suggested in advance of the meeting. Honestly and candidly, I felt that the meeting was not worth the expense of getting to it and the time we spent going to it.



THE CITY OF WHITTIER

Gateway to the Western Prince William Sound

P. O. Box 608 • Whittier, Alaska 99693 • (907) 472-2327 • Fax (907) 472-2404

MEMORANDUM

To: Representative John Cowdery

From: Carrie L. Williams, City Manager, Whittier

Date: February 27, 1998

Subject: February 25, DOT/Alaska Railroad Meeting Report

As city manager, Mayor Bill Coumbe and myself where asked to attend a meeting organized by Department of Transportation representative Mark Mayo. The purpose of the meeting was to address specific lands use and planning concerns that the City has attempted resolution over the past several years. It was our understanding that this meeting was to produce clearly defined results on site control issues for the Whittier water, sewer, streets and several other issues of basic community long standing concerns, as well and establishing short term immediately needs to accommodate for the impact of the Whittier road opening.

We met for not longer then forty minutes and were informed that the intent of the DOT was to add their funding to Alaska Railroad planning moneys. This funding would be used to add to the current scope of work for HDR, (Whittier road access planning contractor). Discussion was held between the DOT and ARRC regarding the cooperative agreement and the mechanics of transferring funds from the railroad to the state. The City questioned the ability of HDR to act objectively, due to the firms current involvement with the DOT, Fiber Optics firms and other parties currently planning projects in the City, which may face objections from the City. This objection was noted.

We had been led to believe that this meeting was of critical nature and true, results would be immediately forth coming. We had been informed by several individuals that "we would be happy and excited with the result." It was going to be a complete change from the historical nature of these meetings. In fact it was not. Although polite, organized and possibly well intentioned it is again going to be a complex and expensive planning process taking a minimum of three to four months to re-analysis the data of numerous EIS studies of the past and their potential impact.

We as city officials attended this meeting to address what has here to fore been identified as obvious needs which any community would reasonably address when change is imminent. Parking, public attenuates, boating facilities, RV areas, camp sites, public safety, water, sewer,

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streets and economic development must be addressed immediately, if we are to stand a chance of dealing with even half of the impact that will occur with the road opening in twenty-four months.

Neither the Mayor nor myself could understand why we had again spent time and municipal funds for another meeting and were unable to accomplish any meaningful results.

BRIEF HISTORY OF ALASKA RAILROAD LAND
IN WHITTIER BEFORE AND AFTER TRANSFER
TO THE STATE OF ALASKA

In 1914 the land in what is now the core area of Whittier was set aside for a town site to be associated with a railroad. In 1941 and 1942 a portion of this withdrawal was surveyed and platted into lots, blocks and streets. The purpose of this survey appears to have been to allow for sale of lots to the public. The platted land is what is now the core area (triangle area) in downtown Whittier. The survey is USS 2559. According to a 1946 memorandum to the Secretary of the Interior, the military needed Whittier as a port during the war and therefore the land was not sold. Instead, in 1943 the Railroad (which was part of the US Department of the Interior) transferred control of the land to the military. In 1946 the land was transferred by the military back to the Railroad. In 1947 the Secretary of the Interior changed the designation of the land from town site to railroad terminal reserve.

In the 50s and 60s there were several Public Land Orders transferring jurisdiction over lands in Whittier (both inside and outside of USS 2559) to the military and then back to the Railroad. These actions seem to reflect military use and then discontinued use. Some land was excessed both in the 60s and 70s. The 265 acre parcel owned by Passage Canal (Brooke Marston and partners) was excessed by the military and sold to the public. Similarly, the parcel acquired by the City in 1973 was excessed and sold to the City by GSA.

In 1984 federal legislation transferred the Railroad to the State of Alaska, not to the Alaska Railroad Corporation. 45 USC § 1203(a). The federal legislation breaks the railroad lands into two categories: the right of way (meaning a 200 foot corridor with the tracks in the center) and all other land. There was no requirement in federal law that the land be conveyed by the State to the Alaska Railroad Corporation. However, there were two conditions. First, if the State "converted [the land] to a use that would prevent the State-owned railroad from continuing to operate, the real property (including permanent improvements to the property) shall revert to the United States Government...." 45 USC § 1209(a). This provision is of no relevance today because it applied for only 10 years and thus expired in 1994.

Second, the federal statute says that if the State discontinues use of the land within the right of way (that is, the 200 foot corridor) that land reverts to the United States and the United States must reconvey the land to the abutting landowner. 45 USC § 1209(b) and (c). This is equivalent to situations where a City vacates a street easement.

So why does the Railroad own so much land in Whittier and elsewhere that is not used to run the railroad? The answer is a function of history and state policy adopted in 1984. Historically, the federal government withdrew large blocks of land for the federal railroad even though the land needed for actual operations was a much smaller amount. This did not create any particular problem for the federal government because if an adjustment was needed, the federal government could easily transfer land between its various agencies. This approach resulted in the federal railroad having title to a substantial amount of land not used for railroad purposes.

The State bargained with the United States for all of the land under the railroads jurisdiction and was successful in getting it. The State then made a policy decision to give all of the land to the newly created State Alaska Railroad Corporation. The State did not have to give all of the land to this corporation. The State could just as easily have given rail essential lands to the new corporation and all other land to a different State agency (such as DNR or DOT) or to municipal entities. This probably would have been difficult to do in 1984 since the State did not necessarily know which lands were rail essential. Nonetheless, the fundamental point is that there was no legal or logical impediment to dividing the federal railroad land into land needed for rail operations and other lands. It was strictly a policy decision by the 1984 legislature and administration to give all federal land under the jurisdiction of the federal railroad to the state Alaska Railroad Corporation. This policy decision can be revisited by any legislature at any time without fear that lands will revert to the federal government.