

**HB**

**171**



# ALASKA STATE LEGISLATURE

*Co-Chair:*  
Joint Armed Services Committee

*Vice-Chair:*  
Judiciary  
Legislative Budget and Audit

*Member:*  
Economic Development, Trade & Tourism  
Energy



*Session:*  
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## REPRESENTATIVE NANCY DAHLSTROM

ELMENDORF AFB • FORT RICHARDSON • BIRCHWOOD • FIRE LAKE • GOVERNMENT HILL • MULDOON  
Representative\_Nancy\_Dahlstrom@legis.state.ak.us

### Sponsor Statement

**House Bill 171: An Act authorizing the transfer of two parcels of land from the Alaska Railroad Corporation to the Municipality of Anchorage; and providing for an effective date.**

House Bill 171 would authorize the Alaska Railroad Corporation (ARRC) to exchange two parcels of land on Government Hill in Anchorage for land owned by the Municipality of Anchorage (MOA). The MOA parcel is of similar value and is located on 3<sup>rd</sup> Avenue between the A and C Street couplet in Anchorage.

The first ARRC parcel (ARRC Parcel 1 on map) is not contiguous with other ARRC property and does not currently generate lease revenue. It is located near the entrance of Government Hill and was formerly occupied by an auto detailing shop. The building was removed to facilitate transfer of gravel from the old Hollywood Vista site to the Port of Anchorage and the parcel has remained vacant since then. Once the parcel transfers, the Anchorage School District will use it to redesign a safer, more efficient entrance to Government Hill Elementary School. The parcel is 8,188 sq. ft. with an appraised value of \$122,800.

The second ARRC parcel (ARRC Parcel 2 on map) is covered under a long-term lease. It was leased approximately six years ago by Jaguar Development Group, LLC for a term of 55 years. The parcel is surrounded by MOA owned or controlled property (Hollywood Drive and the old Hollywood Vista housing complex, demolished in the late 1980's). The site is being redeveloped into a residential subdivision after years of planning by the Government Hill community and the MOA. The MOA will own the parcel after the trade. Fee simple title can then be offered to individual purchasers instead of a lease, through the MOA or its developer. The property is 76,905 sq. ft. with an appraised market value of the leased fee interest of \$480,000.

In exchange for the two ARRC parcels, MOA will transfer its parcel (MOA Parcel 1 on map) to ARRC. The MOA parcel is surrounded by ARRC land. It is currently used for parking and is managed by the Downtown Parking Authority. Consolidating this MOA parcel with the larger ARRC parcel would increase the value of the whole parcel and increase its development potential in the central business district. The MOA property is approximately 20,150 sq. ft. with an appraised market value of \$645,000.

The ARRC and MOA properties proposed for exchange have been independently appraised and valued at \$602,800 and \$645,000, respectively. MOA indicates it expects no additional consideration for its slightly higher valued property.

The Alaska Railroad Corporation Act, Alaska Statute 42.40.285, requires Legislative approval for the ARRC to "exchange, donate, sell or otherwise convey its entire interest in land".

I respectfully request favorable support of House Bill 171.

# FISCAL NOTE

STATE OF ALASKA  
2009 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: HB 171  
( ) Publish Date: \_\_\_\_\_

identifier: HB171-CED-ARR-03-30-09  
Title Land Exchange ARRC and MOA  
Sponsor Representative Nancy Dahlstrom  
Requester House Community and Regional Affairs Committee  
Dept. Affected: DCCED  
RDU \_\_\_\_\_  
Component Alaska Railroad Corporation  
Component Number \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGE IN REVENUES ( )</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2009) cost: 0.0

**POSITIONS**

Full-time								
Part-time								
Temporary								

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

This legislation would authorize the Alaska Railroad Corporation (ARRC) to exchange two separate parcels of rail land on Government Hill in Anchorage with a parcel of land owned by the Municipality of Anchorage (MOA). The two parcels of rail land have been appraised for \$602,800. The MOA parcel located on 3rd Avenue between the A and C Street couplet in Anchorage has been appraised for \$645,000. The Municipality has indicated it expects no additional consideration for its slightly higher valued property.

Prepared by: Wendy Lindskoog Phone 265-2498  
Division Assistant Vice President Alaska Railroad Corporation Date/Time 3/30/2009 12:30 p.m.  
Approved by: Emil Notti, Commissioner Date 3/30/2009  
Department of Commerce, Community and Economic Development



Adopted: February 17, 2009

Resolution No. 2009-006

Approving Transfer of Real  
Property to the Municipality of  
Anchorage

WHEREAS, the Alaska Railroad Corporation (ARRC) is the owner of two separate parcels of land on Government Hill that are proposed for a land swap with the Municipality of Anchorage; and

WHEREAS, one of the parcels, shown on the attached Exhibit A as ARRC Parcel 1, is not contiguous with other ARRC property and does not currently produce lease revenue; all improvements were previously removed from the parcel to expedite the Municipality's movement of gravel from a nearby site to the Port of Anchorage; the parcel presents a physical and legal obstruction to safe and efficient access to the Municipality's Government Hill Elementary School; and

WHEREAS, the second parcel, covered under a long-term lease and shown on the attached Exhibit A as ARRC Parcel 2, is surrounded by municipally owned or controlled property known as the Hollywood Vista site; the site is currently being redeveloped into a residential subdivision after years of planning by the Government Hill community and the Municipality of Anchorage, and ARRC's parcel will be incorporated into the redevelopment; and

WHEREAS, the Municipality would like to acquire the ARRC Parcel 2 in order to more efficiently develop the entire site, allowing the ARRC parcel to be subdivided as part of the overall development which would otherwise be restricted in its use; and

WHEREAS, the Municipality has offered to transfer the land shown on Exhibit A as MOA Parcel 1, which is more desirably located for ARRC use or development, in exchange for both ARRC parcels; and

WHEREAS, the ARRC and municipal properties proposed for exchange have been independently appraised and valued at \$602,800 and \$645,000, respectively; the Municipality has indicated it expects no additional consideration for its slightly higher valued property; and

WHEREAS, ARRC management recommends approval of this land exchange because the corporation will acquire property of equivalent or greater value that will increase the development potential of a central business district site or could potentially be incorporated in the development ARRC's existing Ship Creek land

507 W. Ship Creek Avenue  
Anchorage, Alaska 99501

MAILING ADDRESS  
P.O. Box 102750 Anchorage, Alaska, 99510-7500

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AlaskaRailroad.com

holdings, which would increase the value of ARRC's property that surrounds MOA Parcel 1; and

WHEREAS, both ARRC Board approval and legislative approval are required for conveyance of the corporation's entire interest in land under AS 42.40.120(c)(14) and AS 42.40.285(1), respectively.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors has reviewed the proposed transaction and approves the conveyance of Parcels A and B as shown on Exhibit A to the Municipality of Anchorage in exchange for conveyance of MOA Parcel 1 as shown on Exhibit A; and

FURTHER RESOLVED, the President and CEO or his designee is authorized to negotiate such other conditions of transfer and take such other steps as he deems are appropriate and in the best interests of the corporation, including but not limited to seeking legislative approval of the conveyance of the corporation's entire interest in land as required by law.

This is to certify that I am the Secretary of the Board of Directors of the Alaska Railroad Corporation, and the above Resolution No. 2009-006 is a true and correct copy of the resolution adopted by the Alaska Railroad Corporation's Board of Directors at its regular meeting on February 17, 2009.

Date

February 17, 2009 James B. Blasingame

James B. Blasingame  
Board Secretary

Corporate Seal

February 23, 2009

Representative Nancy Dahlstrom  
State of Alaska  
House of Representatives

Dear Representative Dahlstrom:

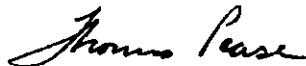
At our February 19<sup>th</sup> Government Hill Community Council meeting, Ron Pollock, Executive Director and Sue Lukens, Development Director of Anchorage Community Development Authority, asked us to support the bill authorizing the exchange of Alaska Railroad land in Government Hill for Municipality of Anchorage land. Following their presentation and discussion, our council voted to support this legislation.

Two railroad parcels within Government Hill are under consideration for trade. One is a small triangle of land near the entrance to Government Hill Elementary School. Last year, the Municipality of Anchorage purchased a business on this site and razed the derelict building. Mr. Pollock and Ms. Lukens report that this parcel, if owned by the Municipality, will be modified to improve the entrance to the school, which could enhance appearance, traffic flow and student safety.

The second railroad parcel is approximately 1.77 acres located on the south side of Hollywood Drive. Currently, it is leased from the railroad but is included in the Northpointe Bluff Subdivision. If traded to the Municipality, this parcel could be sold to the developer/owner of the subdivision, who, in turn, could sell lots to individual buyers for single family, owner/occupied homes.

Given the future uses of the above two parcels, as stated by the Municipality, Government Hill Community Council supports this land trade. We ask for your support as well.

Sincerely,



Thomas Pease  
Acting President  
Government Hill Community Council



**Anchorage  
School  
District**

5530 E. Northern Lights Blvd.  
Anchorage, Alaska 99504-3135  
(907) 742-4000

March 10, 2009

The Honorable Nancy Dahlstrom  
State of Alaska  
House of Representatives

Re: Alaska Railroad/Municipality of Anchorage Land Trade; HB 171

Dear Representative Dahlstrom:

It is my understanding that the above-mentioned bill is being considered at this legislative session.

The land trade proposed between the Alaska Railroad and the Municipality of Anchorage will result in a small parcel of land, directly in front of the entrance to the Government Hill Elementary School, being transferred to the Municipality of Anchorage. Last year the Municipality purchased the business located there, and razed the derelict building. If the parcel is owned by the Municipality it can be used to improve the entrance to the school and enhance student safety there.

The Anchorage School District is in support of this legislation and we urge the legislature to pass the bill in this session.

Thank you for your consideration.

Sincerely yours,

*Carol Comeau*

Sec. 42.40.285. Legislative approval required.

Unless the legislature approves the action by law, the corporation may not

- (1) exchange, donate, sell, or otherwise convey its entire interest in land;
- (2) issue bonds;
- (3) extend railroad lines; this paragraph does not apply to a spur, industrial, team, switching, or side track;
- (4) lease land for a period in excess of 55 years unless the corporation reserves the right to terminate the lease if the land is needed for railroad purposes;
- (5) apply for or accept a grant of federal land within a municipality; before approving an action under this paragraph, the legislature must determine that the federal land is required for essential railroad purposes; this paragraph does not apply to the application for or acceptance of a grant of federal land associated with
  - (A) the Anchorage-Wasilla line change project on Elmendorf Air Force Base and Fort Richardson;
  - (B) the Fairbanks intermodal rail yard expansion project;
  - (C) a conveyance of rail properties of the Alaska Railroad under the original Alaska Railroad Transfer Act of 1982 as set out in Title VI, P.L. 97-468; in this subparagraph, "rail properties of the Alaska Railroad" has the meaning given in 45 U.S.C. 1202(10).