

**HB**

**173**





# Representative Scott Jiu Wo Kawasaki

Alaska State Legislature

District 9 Fairbanks

## MEMORANDUM

Date: March 10, 2009

To: Representative Cathy Muñoz, Co-Chair  
Representative Bob Herron, Co-Chair  
House Committee on Community and Regional Affairs

From: Representative Scott Kawasaki  
House District 9

RE: House Bill 173

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I respectfully request a hearing for HB 173. The bill provides for the transfer of 5 acres of Alaska Railroad property to the Department of Transportation and Public Facilities. The land is necessary for the reconstruction of Illinois Street in Fairbanks.

A copy of the resolution, sponsor statement, and additional material are attached, including letters of supporting testimony.

There will be various testimonies given from multiple locations from around the state at many LIO locations. At this point in time, we have not confirmed the list of witnesses who will present when the bill receives a hearing.

If you have any questions or need additional information, please call Mercedes Theuer at 465-6890.



# Representative Scott Jiu Wo Kawasaki

Alaska State Legislature

District 9 Fairbanks

## House Bill 173 Sponsor Statement

**"An Act authorizing the conveyance of certain land of the Alaska Railroad Corporation to the Department of Transportation and Public Facilities; and providing for an effective date."**

The Department of Transportation and Public Facilities (DOT&PF) is preparing to reconstruct Illinois Street. This street is a commonly used thoroughfare that is in dire need of reconstruction and expansion. It connects downtown Fairbanks to College Road and the Johansen Expressway, two major arterials, and is a road that is commonly jammed during rush hours. Pedestrian and bicycle facilities are inadequate or entirely absent along this road.

This project is designed to support efforts to address riverfront enhancements in the area where the corridor crosses the Chena River. Fairbanks residents and commuters would greatly benefit from this road's reconstruction, which would result in a straighter and wider street, providing for a faster and safer commute.

The Alaska Railroad Act requires legislative approval for this action to proceed. HB 173 provides that authority and specifies the DOT&PF to provide a combination of cash, land of equal value, or a combination of both to the Alaska Railroad Corporation.

There is no outside fiscal impact of this act because DOT&PF costs are part of the construction cost of this project. Both DOT&PF and ARRC support the legislation.

For the sake of safety, city beautification, efficiency and economic development, I urge you to support this bill.

# FISCAL NOTE

**STATE OF ALASKA**  
**2009 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 173  
 () Publish Date: \_\_\_\_\_

Identifier (file name): HB173-DOT-NR-03-30-09 Dept. Affected: DOT&PF  
 Title Transfer Railroad Land to DOT&PF: Fairbanks RDU Design and Construction  
 Component No. Reg. Design and Engineering  
 Sponsor Rep. Kawasaki  
 Requester H CRA Component Number 2299

**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>		0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CAPITAL EXPENDITURES</b>								
<b>CHANGE IN REVENUES ( )</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>		0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost: \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

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

There will be no fiscal impact to the Department. Should DOT&PF need to purchase land from the Alaska Railroad as opposed to a land exchange - those right of way purchases are already a part of the project costs.

Prepared by: Mary Siroky, Legislative Liaison  
 Division Department of Transportation and Public Facilities  
 Approved by: Nancy Slagle, Admin Director  
Department of Transportation and Public Facilities

Phone 465-4772  
 Date/Time 3/30/09 11:00 AM  
 Date 3/30/2009



Adopted: February 17, 2009

Resolution No. 2009-008

Approving Transfer of Real Property to the State  
Department of Transportation and Public  
Facilities

WHEREAS, the Alaska Railroad Corporation (ARRC) is the owner of certain land in the vicinity of Illinois Street in Fairbanks, Alaska, that has been requested by the Alaska Department of Transportation and Public Facilities (DOTPF) in connection with DOTPF's Illinois Street Reconstruction Project, STP-F-M-0663(4)/63102; and

WHEREAS, ARRC and DOTPF have negotiated various aspects of the proposed project and its impacts on ARRC and ARRC tenants for over four years, and ARRC is satisfied with the changes in design that have been made by DOTPF; and

WHEREAS, the properties proposed for transfer are generally shown on Exhibit A attached and will be independently appraised to establish value before any conveyance would occur; and

WHEREAS, ARRC and DOTPF are exploring whether DOTPF has lands eligible to transfer to ARRC in exchange for ARRC's Illinois Street properties instead of outright payment of the appraised value; and

WHEREAS, ARRC management recommends approval of this land conveyance based on the public interest served by DOTPF's project and contingent on ARRC receiving equivalent value in return through cash payment, conveyance of other lands, or a combination of both; 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 approximately three (3) acres of land as shown on Exhibit A to the Alaska Department of Transportation and Public Facilities in exchange for equivalent value in land or cash or both being transferred to the corporation; 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.

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This is to certify that I am the Secretary of the Board of Directors of the Alaska Railroad Corporation, and the above Resolution No. 2009-008 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

Feb. 17, 2009

James B. Blasingame  
Board Secretary

Corporate Seal

327 W. Ship Creek Avenue  
Anchorage, Alaska 99501

MAILING ADDRESS  
P.O. Box 107500 Anchorage, Alaska, 99510-7500

TEL 907.265.2300 FAX 907.265.2416  
AlaskaRailroad.com

**FAIRBANKS  
METROPOLITAN  
AREA  
TRANSPORTATION  
SYSTEM**



**POLICY COMMITTEE MEMBERS**

**Steve Titus, P.E.**  
Chair  
Dept. of Transportation & Public Facilities  
Regional Director, Northern Region  
2301 Peger Road  
Fairbanks, Alaska 99709  
(907) 451-2210

**Mayor Jim Whitaker**  
Fairbanks North Star Borough  
P.O. Box 71267  
Fairbanks, Alaska 99701  
(907) 459-1300

**Mayor Terry Strle**  
City of Fairbanks  
800 Cushman Street  
Fairbanks, Alaska 99701  
(907) 459-6793

**Mayor Doug Isaacson**  
City of North Pole  
125 Snowman Lane  
North Pole, Alaska 99705  
(907) 488-2281

**Luke Hopkins**  
Fairbanks North Star Borough  
Borough Assembly Representative  
P.O. Box 71267  
Fairbanks, Alaska 99707  
(907) 455-6805

**Chad Roberts**  
City of Fairbanks  
Fairbanks City Council Representative  
P.O. Box 71819  
Fairbanks, Alaska 99707  
(907) 452-2435

**Alice Edwards**  
Dept. of Environmental Conservation  
Acting Director, Air Quality Division  
410 Willoughby Ave., Suite 303  
Juneau, Alaska 99811-1800  
(907)465-5109

March 12, 2009

Alaska State Legislature  
Representative Scott Jiu Wo Kawasaki  
State Capitol  
Juneau, AK 99801

Dear Representative Kawasaki:

The Fairbanks Metropolitan Area Transportation System (FMATS) would like to express our support for HB 173 authorizing the conveyance of certain land of the Alaska Railroad Corporation to the Department of Transportation and Public Facilities (DOT & PF). This land is critical to the upcoming reconstruction, realignment and widening of Illinois Street in Fairbanks, Alaska. Without this land, the reconstruction of Illinois Street could not occur.

This project began development in 1985 and is in the final stages of right-of-way acquisition. The plan is to construct this project in 2011. The public interest would be best served to convey this land to the DOT & PF so that this critical FMATS project may be built.

We thank you for sponsoring this bill and urge the Alaska State Legislature to pass HB 173 expeditiously.

Sincerely,

Donna J. Gardino  
MPO Coordinator

CC: FMATS Policy Committee  
FMATS Technical Committee  
Deputy Commissioner Frank Richards, P.E., DOT & PF  
Mary Siroky, Special Assistant to the Commissioner, DOT & PF

Date: March 18, 2009

**FAIRBANKS METROPOLITAN AREA TRANSPORTATION SYSTEM (FMATS)  
RESOLUTION NO. 2009-03**

**AN FMATS RESOLUTION IN SUPPORT OF HB 173 AND SB 142 AUTHORIZING  
THE CONVEYANCE OF CERTAIN LAND OF THE ALASKA RAILROAD  
CORPORATION (CORPORATION) TO THE DEPARTMENT OF TRANSPORTATION  
AND PUBLIC FACILITIES (DOT & PF) FOR THE PURPOSE OF RECONSTRUCTION,  
REALIGNMENT AND WIDENING OF ILLINOIS STREET IN FAIRBANKS, AK.**

**WHEREAS**, the DOT & PF has been developing the Illinois Street Reconstruction project since 1985; and

**WHEREAS**, the project is being funded out of the FMATS Transportation Improvement Program; and

**WHEREAS**, the reconstruction of Illinois Street is a top priority of the FMATS Policy Committee, the decision-making body of FMATS; and

**WHEREAS**, Illinois Street is a commonly used thoroughfare that connects downtown to the western and northern districts of the city, and is in dire need of reconstruction; and

**WHEREAS**, it is necessary for the Alaska State Legislature to approve the conveyance of the corporation's land interest as stipulated in AS 42.40.285(1); and

**WHEREAS**, the Corporation has approved of this land transfer to the DOT & PF, an approval that is required under AS 42.40.120(c)(14).

**NOW, THEREFORE BE IT RESOLVED**, FMATS supports HB 173 and SB 142 authorizing the conveyance of certain land of the Alaska Railroad Corporation to the

Department of Transportation and Public Facilities for the purpose of reconstruction,  
realignment and widening of Illinois Street in Fairbanks, AK.

**PASSED AND APPROVED THIS 18<sup>th</sup> DAY OF MARCH, 2009.**

  
Steve Titus, P.E.  
FMATS Policy Committee, Chair



Executive Office  
Telephone: 907-265-2403  
Facsimile: 907-265-2312

March 10, 2009

The Honorable Joe Paskvan  
Senator  
State Capitol, Room 7  
Juneau, AK 99801

The Honorable Scott Kawasaki  
Representative  
State Capitol, Room 428  
Juneau, AK 99801

Dear Senator Paskvan and Representative Kawasaki:

Thank you for your willingness to sponsor legislation authorizing the conveyance of approximately five acres of rail land from the Alaska Railroad Corporation (ARRC) to the Department of Transportation and Public Facilities (DOT&PF).

Over the years, ARRC has had the opportunity to work with DOT&PF to facilitate projects that benefit Alaska's public infrastructure needs. The Illinois Street Reconstruction Project proposed by DOT&PF is another such effort and we are pleased to provide our support.

ARRC Board of Directors and legislative approval are both required for conveyance of the corporation's entire interest in land as mandated by AS 42.40.120 (c) (14) and AS 42.40.285 (1), respectively. ARRC's Board of Directors authorized this particular exchange for the conveyance of rail land with the understanding that ARRC would receive equivalent value in return through cash payment, conveyance of other lands, or a combination of both.

ARRC representatives will be present at hearings for this legislation to help convey our support and answer questions. If you need additional information from us, please contact Wendy Lindskoog, Assistant Vice President Corporate Affairs, at 265-2498.

Sincerely,

*James S. Blasengame*  
for  
Patrick K. Gamble  
President and CEO

# STATE OF ALASKA

SARAH PALIN, GOVERNOR

DEPARTMENT OF TRANSPORTATION  
AND PUBLIC FACILITIES  
OFFICE OF THE COMMISSIONER

3132 CHANNEL DRIVE  
PO Box 112500  
JUNEAU, ALASKA 99811-2500

FAX: (907) 586-8365  
PHONE: (907) 465-3900

March 17, 2009

The Honorable Scott Kawasaki  
Alaska State Legislature  
State Capitol, Room 428  
Juneau, AK 99801-1182

Dear ~~Senator~~ Kawasaki:

*Rep.*

The Department of Transportation and Public Facilities supports SB 142 and HB 173. Either of these bills allows the Department to obtain land required for the much needed Illinois Street Reconstruction project in the City of Fairbanks.

Illinois Street has been a vital part of the transportation infrastructure in Fairbanks for over 90 years. A portion of this vital urban arterial route is on land that was transferred to the Alaska Railroad Corporation when the State acquired the railroad from the federal government. This fact was discovered when researching the right of way status for these long planned major improvements.

This project is being designed and constructed largely with Federal Highway funds. Under federal regulations, the Department must certify that it has sufficient legal interest in the underlying right-of-way before we can proceed with construction.

The proposed legislation allows the Department of Transportation and Public Facilities to acquire the needed legal interest in this right of way from Alaska Railroad Corporation.

We fully support this legislation. Passage this session will allow construction on this important project to begin in 2010.

Sincerely,



Leo von Scheben, P.E., L.S., M.B.A.  
Commissioner

cc: Mary Siroky, Legislative Liaison, DOT&PF



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March 16, 2009

Dear Representative Kawasaki:

Thank you for supporting HB 173 which allows for the transfer of five (5) acres of land owned by the Alaska Railroad Corporation to the DOT&PF in order to proceed with the Illinois Street reconstruction project in Fairbanks. The Alaska Railroad Corporation has approved this land transfer to the DOT& PF, as is required under AS 42.40.120(c)(14).

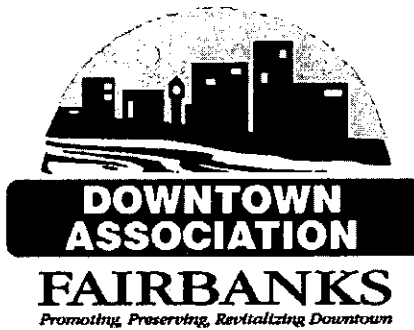
Decades in the making, Fairbanks residents, commuters and visitors will greatly benefit from this road's reconstruction. Illinois Street is a commonly-used thoroughfare that connects downtown Fairbanks to the western and northern districts of Fairbanks. This reconstruction and expansion is direly needed to lessen traffic jams during rush hours and decrease traffic accidents in the area

Furthermore, this project is designed to support efforts to address riverfront enhancements in the area where the corridor crosses the Chena River and to address inadequate or entirely-absent pedestrian and bicycle facilities along this road.

We advocate that the Alaska State Legislature to approve the conveyance of the corporation's land interest as stipulated in AS 42.40.285(1). I'll be in Juneau on April 1 and 2 and look forward to seeing you then. Meanwhile, if you have any questions, please feel free to contact me at (907) 459-3770 or [dhickok@explorefairbanks.com](mailto:dhickok@explorefairbanks.com).

Warm Regards,

Deb Hickok  
President and CEO



March 13, 2009

Representative Scott Kawasaki  
Room 428, State Capitol  
Juneau, AK 99801

Dear Representative Kawasaki:

I write to express the Downtown Association of Fairbanks' support for HB 173. Enabling the Alaska Railroad Corporation and Alaska DOTPF to proceed with this real estate transaction is the right thing to do.

Illinois Street re-construction is a long-overdue corrective to a host of shortcomings with circulation in downtown Fairbanks and environs. Long on the books, the Illinois Street improvements are a first step in revitalizing downtown Fairbanks. As you know the Vision Fairbanks revitalization plan awaits the Illinois Street projects for its own catalyst roadway improvements to proceed.

HB 173 ties-up a loose end of this long-overdue project. We commend you for it, and trust your colleagues will follow your lead for the good of Fairbanks.

Sincerely,

David van den Berg  
Executive Director