

SB

165

<target><bill>SB 165</bill><subject>SB
165</subject><comm>HFIN26</comm></target>

ALASKA STATE LEGISLATURE

Finance Committee
•
Health & Social Services Committee
•
Legislative Council
•
Committee on Committees



While in Session
State Capitol, Rm. 103
Juneau, AK 99801
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Fax: (907) 465-2529

While in Anchorage
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SENATE MAJORITY LEADER
JOHNNY ELLIS

SPONSOR STATEMENT – SENATE BILL 165

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

Senate Bill 165 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 3rd Avenue between the A and C Street couplet in Anchorage.

The first ARRC parcel 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. Once the parcel transfers, the Anchorage School District will use the land to design a safer, more efficient entrance to Government Hill Elementary School. The parcel has an appraised value of \$122,800.

The second ARRC parcel 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 1980s). 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 parcel has an appraised market value of \$480,000.

In exchange for the two ARRC parcels, MOA will transfer its parcel to ARRC, which is surrounded by ARRC land. It is currently used for parking and is managed by the Downtown Parking Authority. 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.

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 165
(S) Publish Date: 4/1/09

Identifier: SB165-CED-ARR-03-30-09 Dept. Affected: DCCED
Title: Land Exchange ARRC and MOA RDU
Component: Alaska Railroad Corporation
Sponsor: Senator Johnny Ellis
Requester: Senate Community and Regional Affairs 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
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	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	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

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

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 Lindscoog
Division: Assistant Vice President Alaska Railroad Corporation
Approved by: Emil Notti, Commissioner
Department of Commerce, Community and Economic Development

Phone 265-2498
Date/Time 3/30/09 12:30 p.m.
Date 3/30/2009



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

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

Feb. 17, 2009 James B. Blasingame
James B. Blasingame
Board Secretary

Corporate Seal



**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,

A handwritten signature in cursive script that reads "Carol Comeau".

Carol Comeau, Superintendent
Anchorage School District

February 23, 2009

Representative Nancy Dahlstrom
State of Alaska
House of Representatives

Dear Representative Dahlstrom:

At our February 19th 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