

**HB**

**273**

# SENATE COMMITTEE REPORT

DATE: 3/25/10

FURTHER:

DATE TURNED  
IN TO OFFICE: \_\_\_\_\_

**Community and Regional Affairs Committee** considered CS FOR HOUSE BILL NO. 273(FIN)

## HB 273 MUNICIPAL GENERAL GRANT LAND

"An Act relating to general grant land entitlements for the City and Borough of Wrangell and for the Haines Borough; and providing for an effective date."

and recommends:

- be replaced with  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

<b>SENATE BILL:</b>	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
<b>HOUSE BILL:</b>	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____



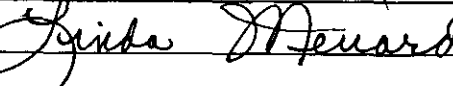
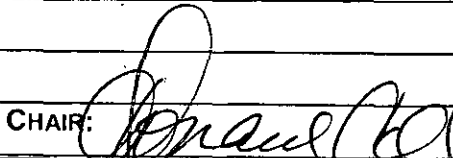
**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#
DNR	2/8			✓	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Thomas	✓			
	Koolen	✓			
	MENARD	✓			
CHAIR: 	Olson			X	

# ALASKA STATE LEGISLATURE

*Interim:*  
P.O. Box 109  
Wrangell, AK 99929  
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State Capitol, Room 406  
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REPRESENTATIVE PEGGY WILSON  
HOUSE DISTRICT 2

## SPONSOR STATEMENT

### Committee Substitute for House Bill 273 (FIN)

**"An Act relating to general grant land entitlements for the City and Borough of Wrangell and for the Haines Borough; and providing for an effective date."**

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HB 273 is introduced to complete the formation of the City and Borough of Wrangell and the Haines Borough through land entitlements that the state grants to support local governments.

Upon formation each borough receives a general land grant entitlement from the state under AS.29.65.010. This bill would grant 9,006 acres to Wrangell and 3,167 acres to Haines.

The State has an established policy to assist the formation and operation of new local governments by giving land grants that benefit long-term sustainability and address the needs of the residents.

The additional acreage is critically important to provide for the needs of the Boroughs in order to accomplish their economic, cultural, habitat, settlement and resource development goals.

# FISCAL NOTE

**STATE OF ALASKA**  
**2010 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: CSHB 273(CRA)  
 (H) Publish Date: 2/26/10

Identifier (file name): HB273-DNR-TAD-02-08-2010 Dept. Affected: Natural Resources  
 Title: Municipal General Grant Land RDU: Resource Development  
 Component: Title Acquisition and Defense  
 Sponsor: Rep. P. Wilson  
 Requester: Community and Regional Affairs Component Number: 2459

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

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<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>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
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<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>	<b>0.0</b>
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**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>	<b>0.0</b>

Estimate of any current year (FY2010) cost: 0.0

**POSITIONS**

Full-time								
Part-time								
Temporary								

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

DNR anticipates no need for additional funding under this proposed legislation. Processing is done as part of existing program funding.

Prepared by: Dick Mylius, Director  
 Division: Mining, Land and Water  
 Approved by: Tom Irwin, Commissioner  
Natural Resources

Phone 269-8600  
 Date/Time February 8, 2010  
 Date February 8, 2010

Representative Wilson –

The following is a brief summary of Wrangell's concerns that Carol and I visited with you about today over the phone:

- It came to the City and Borough of Wrangell's attention this week that a large parcel of land titled "Cleveland Peninsula" was being considered for University of Alaska land selection contained within HB 295. It had been previously communicated to Wrangell from representatives of DNR that this area had already been transferred and patented to the University of Alaska and was not part of the Supreme Court decision of 2005. In the language contained within HB 295, this parcel is referred to as "Cleveland Peninsula," locally this area of land is referred to as "Sunny Bay," and in the Southeast Area Plan it is listed as C-01 comprised of 2,514 acres designated General Use.

This land is imperative to the City and Borough of Wrangell. AICS/Crossings operates a rehabilitation/educational year round environmental program in the immediate vicinity of this location. This represents approximately 80 full-time positions and a large payroll in Wrangell – their current headquarters. Wrangell originally wanted to select all or portions of this land as part of our Borough Entitlement but it was not part of our negotiations with DNR because we thought it was off the table.

Knowing what we know now, we would like this parcel to be similarly listed as is Thom's Place, Earl West Cove, and Olive Cove is in the proposed legislation. If this is to occur, Wrangell would also request that additional acreage be added to HB 273 so that we would be able to include portions or all of this parcel.

- This brings us to our second concern. The Wrangell Borough Assembly, while pleased with the progress that has been made on HB 273, believes the City and Borough of Wrangell should receive more than 6,500 acres, in order to provide for the needs of our Borough for future economic growth and sustainability. Southeast Alaska cannot continue to be penalized because there is little state land in our area.

We apologize for the misunderstandings and confusion that this is creating – especially after all of the hard work that has been done by all involved. We have had discussions with Bruce Phelps and Mary Montgomery regarding the parcel as late as this afternoon in order to inform them of our concerns and to confirm/clarify the status of the Cleveland Peninsula parcel.

Please contact either Carol or me if you have any questions. As always we are willing to testify in writing, teleconference, or in person. If you feel it is best for Carol and I to testify in person next week, please let us know as early as possible.

Thanks for all of your help Reid. It is appreciated.

Sincerely,

Timothy D. Rooney  
Borough Manager  
City and Borough of Wrangell

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

### DIVISION OF MINING, LAND AND WATER

#### RESOURCE ASSESSMENT & DEVELOPMENT SECTION

SEAN PARNELL, GOVERNOR

550 WEST 7<sup>TH</sup> AVENUE, SUITE 1050  
ANCHORAGE, ALASKA 99501-3579  
PHONE: (907) 269-8534  
FAX: (907) 269-8915

December 10, 2009

The Honorable Donald McConachie  
Mayor of City and Borough of Wrangell  
P.O. Box 531  
Wrangell, AK 99929

Re: Certificate of Entitlement

Dear Mayor McConachie,

In response to your letter dated October 19, 2009 requesting an expedited entitlement certification for the City and Borough of Wrangell pursuant to AS 29.65.030, please find enclosed the Department decision, included with a map and table. The municipal entitlement to the newly certified City and Borough of Wrangell has been reduced by the previous land conveyed to the City of Wrangell.

The city may appeal this decision in accordance with 11 AAC 02. Any appeal must be received by December 29, 2009, and may be mailed or delivered to Tom Irwin, Commissioner, Department of Natural Resources, 550 W. 7<sup>th</sup> Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to [dnr\\_appeals@alaska.gov](mailto:dnr_appeals@alaska.gov). If no appeal is filed by that date, this decision then goes into effect on January 11, 2010. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

If you have any questions concerning this action, you may contact Sandra Swanger-Jensen, Municipal Entitlement Manager at (907) 269-8526.

Sincerely,



Bruce Phelps, Section Chief  
Resource, Assessment & Development Section

Enclosure: Dept. decision, map & table

Cc: Tim Rooney, Borough Manager  
Carol Rushmore, Zoning Administrator/Planning  
David Kelley, Southeast Region Office/Juneau  
Mike Curran, Regional Office/Ketchikan  
John "Chris" Maisch, Div. of Forestry/Fairbanks

*"Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans."*

ALASKA DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF MINING, LAND, AND WATER

DIRECTOR'S DECISION  
LAND ENTITLEMENT CERTIFICATION UNDER AS 29.65.030  
CITY AND BOROUGH OF WRANGELL

**Action:** On May 30, 2008, the Alaska Department of Commerce, Community, and Economic Development (DCCED) certified the incorporation of the City and Borough of Wrangell, as a unified home rule borough, concurrently dissolving the City of Wrangell. All rights, powers, duties, assets, and liabilities of the former city were immediately succeeded to the City and Borough of Wrangell under the provisions of AS 29.06.450(c) and 29.06.520.

In accordance with AS 29.65.030 the borough is entitled to 10 percent of the maximum total acreage of vacant, unappropriated, unreserved (VUU) state general grant land within the boundaries between the date of incorporation and two years thereafter unless requested on an expedited basis by resolution.

On October 22, 2009, a certified copy of a resolution was received from the City and Borough of Wrangell requesting an expedited certification of their land entitlement. The Director of Mining, Land and Water is required to certify the borough's entitlement within six months of this action. This decision is in response to the request and constitutes the Determination of Municipal Entitlement Acreage for the City and Borough of Wrangell.

**Authority:** This certification is authorized pursuant to AS 29.65.030. Authority to execute this certification has been delegated to the Chief of Resource Assessment and Development Section within the Division of Mining, Land, and Water.

**Area of Application:** The area of application is coterminous with the Certificate of Incorporation certified on May 30, 2008.

**Administrative Record:** Department of Natural Resources certification case file ADL 104904 for the City and Borough of Wrangell comprises the administrative record used for the basis of this certification.

**Requirements of AS 29.65.030:** AS 29.65.030 provides that municipalities incorporated after July 1, 1978, are entitled to a "general grant land" entitlement that is no less than 10 percent of the maximum total acreage of VUU lands within the municipal boundaries that existed between the date of its incorporation and two years thereafter. The definition of "general grant land" and "VUU land" is defined under AS 29.65.130 as follows:

*"General Grant Land"* is land that has been patented or tentatively approved to the state from the United States under Section 6(a) or (b) of the Alaska Statehood Act.

*"Vacant, Unappropriated, Unreserved Land"* is general grant land as defined above excluding minerals as required by Section 6(i) of the Alaska Statehood Act that has not been set aside by statute for one or more particular uses or purposes such as legislatively designated areas for refuges. In addition, the land must be unclassified or, if classified under AS 38.05.300, is classified for agricultural, grazing, material, public recreation, settlement or was classified no earlier than September 1, 1983 as resource management that is still classified as resource management under AS 38.05.300.

State land within the following townships or portions of townships have been identified as meeting the criteria established above and have been used in determining the borough's entitlement as illustrated on MAP 1 (VUU Land within the City & Borough of Wrangell) and TABLE 1 (State Land Determined to be VUU-City & Borough of Wrangell). Land use classifications have been derived from the Central-Southern Southeast Area Plan.

<u>MTR</u>	<u>Acres</u>
T062, S080E, CRM	1,100.26
T063, S080E, CRM	578.96
T068, S084E, CRM	752.00
T065, S089E, CRM	830.83
T065, S090E, CRM	3,259.13
T068, S086E, CRM	253.65
T068, S087E, CRM	2,271.46
T063, S085E, CRM	78.78
T064, S085E, CRM	3,485.76
T062, S085E, CRM	148.57
T062, S084E, CRM	4,183.31
T063, S084E, CRM	3,711.35
T064, S084E, CRM	1,294.77
T065, S085E, CRM	1,935.18
T066, S085E, CRM	193.43
T065, S086E, CRM	552.52
T066, S086E, CRM	405.35

Total VUU Area = 25,035 acres, more or less.  
10% of the Total VUU Area = 2,503.5 acres.

**Inclusion of Former City of Wrangell Acreage.** Under AS 29.06.459(c), "a municipality succeeding to a dissolved municipality succeeds to all rights, powers, duties, assets, and liabilities." Acreage provided to the former municipality is counted against the acreage provided to the new municipality. DNR certified the City's entitlement as 551 acres (DNR appeal response dated December 15, 1988).

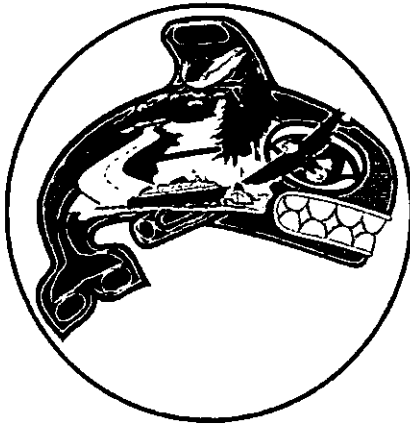
**Determination of Entitlement Acreage.** The amount of acreage that the borough is entitled to under AS 29.65.030 is determined to be 1,952.5 (2,503.5 - 551).

**Finding and Decision:** Pursuant to 29.65.030 and AS 29.65.130, there are 25,035 acres of state land that exist within the corporate limits of the municipality of which 10% may be conveyed to a municipality, equivalent to 2503.5 acres, which must be reduced by the amount of land conveyed (551 acres) previously conveyed to the City of Wrangell. The City and Borough of Wrangell's municipal entitlement is, therefore, 1,952.5 acres.

The finding presented above has been reviewed and been found to be complete and accurate. The casefile has been found to be complete and the requirements of all applicable statutes have been satisfied. It is my finding that the municipal entitlement of the City and Borough of Wrangell is 1,952.5 acres.

Bruce Phelps  
Bruce Phelps, Chief  
Resource Assessment and Development Section

12/10/09  
Date



## HAINES BOROUGH, ALASKA

P.O. BOX 1209 • HAINES, ALASKA 99827  
Administration 907.766.2231 • (fax) 907.766.2716

Tourism 907.766.2234 • (fax) 907.766.3155  
Police Dept. 907.766.2121 • (fax) 907.766.2128  
Fire Dept. 907.766.2155 • (fax) 907.766.3373

March 16, 2010

The Honorable Representative Bill Thomas  
Alaska State Capital Building  
Juneau, Alaska 99811

Re: CSHB 273

Dear Representative Thomas:

The Haines Borough appreciates your efforts to correct an inequity regarding municipal land grants afforded to boroughs upon incorporation. This amendment will address two shortcomings. Haines was one of the first areas of the state surveyed (due to its rich resources). This resulted in a severe limitation of the total VUU (vacant, unappropriated, unreserved) lands available for conveyance under AS.29.65.010. The former Third-class Haines Borough received the smallest entitlement of any borough in the state.

With encouragement from the State and approval of its citizens, the Third-class borough was dissolved and a new home-rule borough incorporated in October 2002. This new municipality, incorporated after July 1, 1978 per AS.29.65.030, should have been considered for an entitlement of 10% of VUU lands within the boundaries of the municipality. This was not done and the Haines Borough is not requesting that full entitlement that perhaps is due under the law.

The Haines Borough has identified through its public process 1,809 acres of VUU land it would respectfully request under an amendment to HB 273. The bulk of these lands are contiguous to lands already selected by the borough that surround vital watershed and economic resources in Excursion Inlet. All of these parcels have been identified by AKDNR as available for selection by the borough.

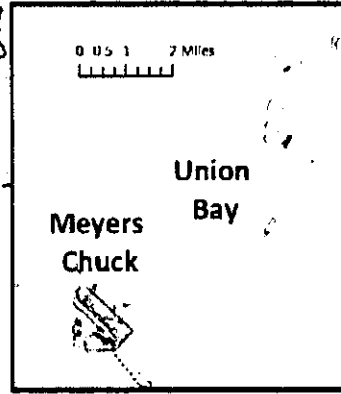
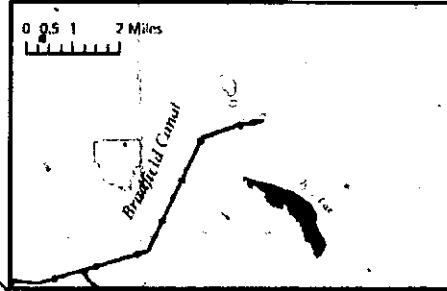
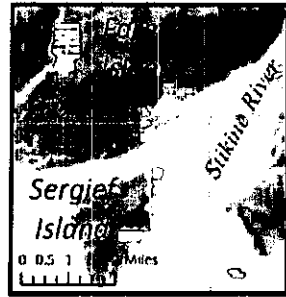
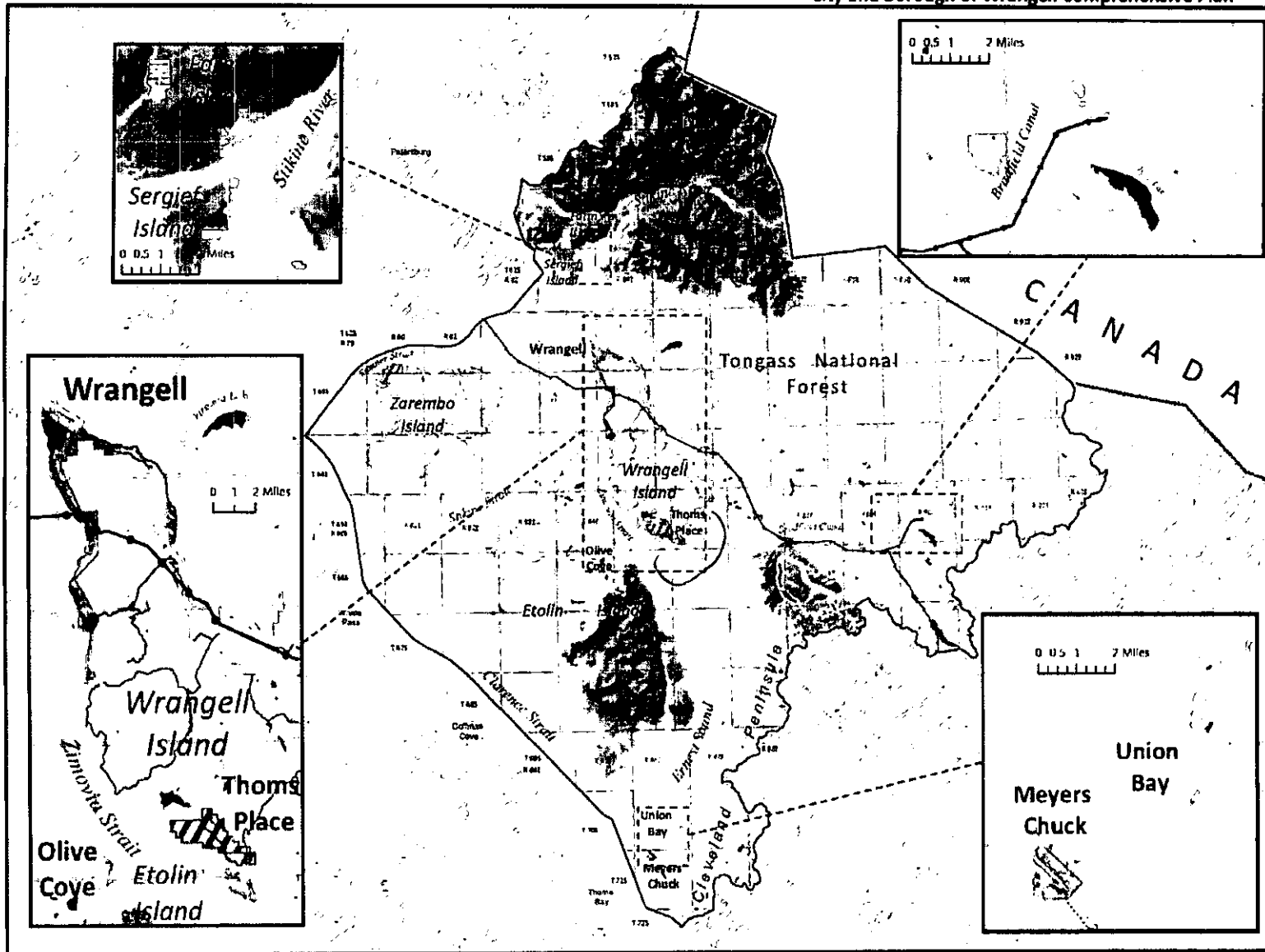
On March 9, 2010, the Haines Borough Assembly unanimously approved the selection of these lands and respectfully requests passage of this amendment on behalf of the Haines Borough.

Thank you,

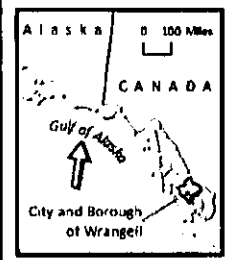
Janice Hill, Mayor  
Haines Borough, Alaska

Cc: Senator Albert Kookesh

City and Borough of Wrangell Comprehensive Plan Figure



- ### Land Status
- Federal - Tongass Nat'l Forest
  - Federal - Tongass Wilderness Area
  - State of Alaska
  - State Selected
  - Alaska Mental Health Trust
  - City and Borough of Wrangell
  - Private
  - Existing Powerline



This map was prepared using the best available data sources and is for informational purposes only. Data may have discrepancies from a current and to survey point.

Date: 05/14/2015 www.wrangell.ak.us