

HB

357

<target><bill>HB 357</bill><subject>HB
357</subject><comm>SF26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 4/14/10

FURTHER:

DATE TURNED
IN TO OFFICE: 4/17/10

Finance Committee considered CS FOR HOUSE BILL NO. 357(FIN)

HB 357 AK RAILROAD CORP. LAND SALES

"An Act relating to the sale of land owned by the Alaska Railroad that is not necessary for railroad purposes."

and recommends:

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

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

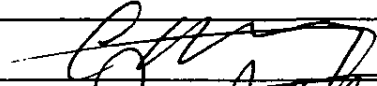

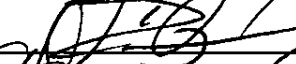
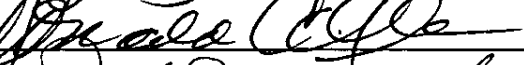

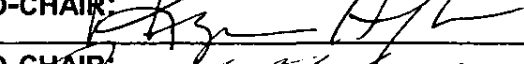

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CED	3/23		✓		1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	NO REC	AMEND
	Huggins	✓			
	Thomas	✓			
	Escob	✓			
	Olson			✓	
	ELLIS	✓			
CO-CHAIR: 		✓			
CO-CHAIR: 		✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 357(TRA)
(H) Publish Date: 3/24/10

Identifier (file name): HB357-CED-ARR-3-23-10 Dept. Affected: DCCED
Title: Alaska Railroad Corporation Land Sales RDU
Component: Alaska Railroad Corporation
Sponsor: Representative Stoltze
Requester: House Transportation Committee Component Number: _____

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
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

CAPITAL EXPENDITURES								
CHANGE IN REVENUES ()		***		***	***	***	***	***

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

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

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

The fiscal impact of this legislation to the Alaska Railroad Corporation is indeterminate.

HB 357 would authorize the Alaska Railroad to sell land that is not needed for railroad purposes, subject to legislative approval, if the ARRC Board finds that the sale of the land is in the best interest of the state. Current law already allows the railroad to propose the sale of rail land subject to legislative approval. The incremental cost to sell rail land including appraisals, staff time, and other professional fees would likely be passed on to the buyer.
(Continued)

Prepared by: Wendy Lindskoog Phone 265-2498
Division: Alaska Railroad Corporation Date/Time 3/23/10 12:00 AM
Approved by: Emil Notti, Commissioner Date 3/23/2010
Commerce, Community and Economic Development

FISCAL NOTE #1

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHB 357(TRA)

ANALYSIS CONTINUATION

Current lease revenue streams average an 8% annual return on the fair market value of ARRC land. If ARRC were to sell this land, it would be hard-pressed to find a comparable investment that would provide such a return with a similar risk profile. As an extreme hypothetical, if ARRC were to sell its holdings in the Ship Creek area of Anchorage, roughly \$6 million of annual lease revenues would be immediately removed from the corporation's budgets. If the corresponding funds received for the sales were used to purchase investments with a similar risk profile, at today's investment returns, ARRC could stand to lose over \$4 million annually when compared to the foregone lease revenues. This could have a material impact on the corporation as it tries to maintain infrastructure, fully fund benefit plans, and provide the required match for federal grant funds, among other items.

ARRC believes the real fiscal impact of selling the non-operating land we currently lease to third parties would result in the loss of a consistent, predictable annual revenue stream to ARRC.

Another potential fiscal impact relates to ARRC's ability to use financial leverage to accomplish its capital plans. Currently, ARRC has approximately \$11 million in outstanding loans secured by lease revenues from corporation lands. Material changes to the lease streams could concern existing lenders, violate covenants, and/or most certainly impact ARRC's future ability to use debt.

Because the potential volume of lands to be sold and the timing thereof is unknown at this point, the fiscal note is indeterminate.

ALASKA STATE LEGISLATURE HOUSE FINANCE COMMITTEE

Representative Mike Hawker
Co-Chairman
(907) 465-4949
Fax: (907) 465-4979
Representative.Mike.Hawker@legis.state.ak.us

State Capitol 505
Juneau, Alaska 99801



Representative Bill Stoltze
Co-Chairman
(907) 465-4958
Fax: 465-4928
Representative.Bill.Stoltze@legis.state.ak.us

State Capitol 515
Juneau, Alaska 99801

State Capitol, Juneau, Alaska 99801-1182

Letter of Intent for House Bill 357

"It is the intent of House Bill 357, "An Act relating to the sale of land owned by the Alaska Railroad that is not needed for railroad purposes," to not impact any outstanding Federal issue which has not been resolved in regards to railroad lands, easements, or rights-of-way. It is not the intent of this legislation to impede, damage, or disrupt any ongoing claims, issues, or cases involving the Alaska Railroad Corporation and governmental, tribal, or private sector disputes."

ALASKA STATE LEGISLATURE

Co-Chair:
House Finance Committee

Chair:
House Finance Subcommittees for;
Department of Public Safety
Department of Law

Member:
Legislative Council
Legislative Budget & Audit (alt)



Session:
Alaska State Capitol, Rm 515
Juneau, AK 99801-1182
Phone: (907) 465-4958
Fax: (907) 465-4928

District:
600 E. Railroad Ave.
Wasilla, AK 99654

BILL STOLTZE
STATE REPRESENTATIVE
Representative_Bill_Stoltze@legis.state.ak.us

HB 357

Alaska Railroad Non-Essential Land Sale

"An Act relating to the sale of land owned by the Alaska Railroad that is not needed for railroad purposes."

To spur economic development throughout the state, House Bill 357 adds a fourth clause to the existing language governing how the Alaska Railroad Corporation may dispose of land. House Bill 357 will enable the railroad to sell land that is not needed for essential railroad purposes. This bill does not ask for any irresponsible disposal of land, as the sale must be initiated by the board of directors on two conditions. The first condition is that the land is not essential to railroad operations, and the second condition is that the sale is in the best interest of the state of Alaska.

As support has shown, current leaseholders are very unhappy with the inability to purchase their leased properties from the railroad. In general real estate dealings, private purchases are made in mutually beneficial sales. House Bill 357 encourages these sales after determination by the board of directors of the railroad looks at each sale with the overall benefit to the state of Alaska as the key driver. Not only will the private sector benefit from this addition to state law, the railroad will also have increased ability to make decisions regarding their overall real estate portfolio.

The sale and relationship of private and public lands are vital to the economic growth of the state of Alaska. I ask for your consideration and support of House Bill 357 to promote Alaskan growth through the diversification of land ownership, increasing the tax base of the state, and encouraging responsible development of Alaskan land.

DISTRICT 16

Support**Name**

Harvey Dougherty
 Brad Cherrier
 Mark Sprano
 Marguerite Kremer
 Mark Stearns
 Ken McCarty
 Thomas Tonkin
 Erik Brubaker
 Bohuslav Fiala
 Brandon Wallace
 Karen Paulson Perham
 Richard Faulkner
 Janet Faulkner
 Paul Reid
 Mike Hammer
 Robert Carlson
 Paul Laird
 Randy Arendell
 Mary Silvey
 Greg Wakefield
 Jerry Hendriks
 Joe Beedle
 Bruce Morgan
 Phillip Oates & Willard Dunham
 Richard Dawson
 Don Callahan
 Lester Lunceford

Business/Organization

Alaska Crate & Pallet
 BKC Alaska LLC
 Alaska Marble & Granite Inc.
 TaskKlock, Inc.
 Alaskan Wood Moudling Inc.

 Wholesale Distributors of Alaska, Inc.
 Alaska Flor-Wall, Inc.
 Steelfab
 Steelfab
 Sagaya Corporation
 Statewide Door & Glass
 Wholesale Distributors of Alaska, Inc.
 The Alliance
 AT&T?
 Fairbanks Sand & Gravel
 AAA Moving & Storage
 Puget Sound Pipe and Supply Co.
 Northrim Bank
 Sampson Steel Company Inc.
 City of Seward
 Dawson Development
 ICE Alaska
 City of Whittier

Opposition**Name**

Mark Kulstad

Business/Organization



THE CITY OF WHITTIER

Gateway to Western Prince William Sound

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

Honorable Bill Stoltze, Chairman
House Finance Committee
State Capitol, 5th Floor
Juneau, AK 99801

April 2, 2010

Re: House Bill 357

Dear Representative Stoltze,

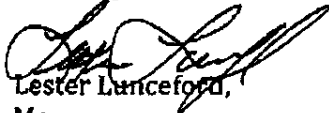
On behalf of the City of Whittier, I am writing to express our support for House Bill 357 which would allow the Alaska Railroad to dispose of land that they own which is not essential to the operations of the railroad. From our perspective, we believe that private ownership over public ownership is best for economic development within the City of Whittier and throughout Alaska.

As you are probably aware, the Alaska Railroad is a major landholder within the City of Whittier and we are familiar with the complaints associated with the railroad's leasing practices. Likewise, we are aware of the constraints that businesses and individuals find in obtaining loans on leased property.

Given that HB 357 is permissive and does not require the railroad to dispose of land, we find it difficult to understand how or why anyone could oppose this measure. In closing, we would like to take this opportunity to thank the legislature in recognizing the need to get more public lands into private ownership and urge the passage of this bill.

Thank you for your time and consideration.

Sincerely,


Lester LANCEFORD,
Mayor

Please visit our new website:
www.whittieralaska.gov



2132 RAILROAD AVE.
ANCHORAGE, AK 99501
FAX 907 276-3448
TEL 907 276-4303

March 16, 2010

Representative Bill Stoltze
House of Representatives
State of Alaska
Juneau, Alaska

Dear Representative Stoltze,

You have my most sincere gratitude for introducing House Bill 357, regarding making state lands available to Railroad leaseholders for purchase at fair market value. It is a straightforward bill with far-reaching and greatly beneficial consequences to businesses throughout Alaska, from Seward to Fairbanks.

Your bill will encourage many Alaska businesses to make capital improvements that will bring pride to communities throughout the Rail Belt, solidify and increase municipal tax bases, and more than likely create new jobs.

HB 357, and the action it encourages, is something that is long overdue. Your recognition that the Federal/State Railroad transfer's provision of allowing railroad leaseholders to purchase any non-operational lands after 10 years time shows a readily-available business acumen on your part. HB 357 provides a vehicle that makes it clear that the transfer's provision is a clear-cut matter that should happen as a matter of course.

Thank you, Representative Stoltze. Your introduction and support of HB 357 refreshes my belief in common-sense government.

Sincerely,

Richard Faulkner
STEELFAB President
Alaska Railroad Leaseholders Assoc. (ARRLA) Board President

cc: Governor Sean Parnell, House Transportation Chairwoman Peggy Wilson



THE ALLIANCE

...for responsible development of Alaska's Oil, Gas & Mineral Resources

648 West Fourth Ave., Suite 200 * Anchorage, AK 99501 * Phone (907) 563-2226 * Fax (907) 561-8870

March 12, 2010

Representative Peggy Wilson, Chairperson
House Transportation Committee
State Capitol, 4th Floor
Juneau, Alaska 99801

Dear Representative Wilson,

The Alaska Support Industry Alliance, a trade association representing companies that provide goods and services to Alaska's oil, gas and mining industries, supports House Bill 357. By authorizing (but not requiring) the Alaska Railroad to sell land that's not needed for railroad purposes from its real estate portfolio, Rep. Stoltze's legislation would promote private land ownership within the state and stimulate new private sector investment. It also has the potential to increase the tax bases of communities along the Railbelt and generate cash for the railroad.

HB 357 is pro-business and private sector, pro-investment, pro-Alaska Railroad and pro-jobs. We endorse and urge its passage. Thank you.

Sincerely,

Paul Laird
General Manager

c: Rep. Bill Stoltze

**Richard R. Dawson
POBox 93054
Anchorage, Alaska 99509
907 243 1262**

3/17/2001

— SENT VIA FAX
465-3175

Rep Peggy Wilson, Chairperson
State House Transportation Committee
State Capitol
Juneau, AK 99801

Dear Rep Wilson:

Recently I have been made aware of House Bill 357.
HB 357 would allow the Alaska Railroad to sell lands not needed for their transportation operations.
It would allow the transfer of government owned lands to the private sector.

Passage of HB 357 would create private ownership of properties that have not been maintained by
either the ARR (no need) or by the leaseholders (why invest?).

This would be good for EVERYONE.

Please help remedy this problem by supporting HB 357.

Sincerely,



HB 357 sponsor Rep. Bill Stoltze (907/465-4928)

Date: March 10, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
State Capitol, 4th Floor
Juneau, AK 99801
Fax:: 907-465-3175

Dear Chair Wilson,

I am writing in opposition of House Bill 357, which is currently in your committee. As a Real Estate professional I can see why business owners may wish to own rather than lease. As a resident of the State of Alaska I don't see the *"giving the railroad the authority to dispose of non-strategic land within their real estate portfolio creates the logical first step of putting more government-owned lands in the private sector,"* is in Mine or the States best interest.

I am closely aware that the Real Estate department of the Alaska Railroad, operates for profit, and strives to get the highest rate of return, on value, for their owned real estate. Well managed long term leases will, and do provide a greater rate of return to me and the State than selling off performing asset, not to mention, selling those assets in a depressed real estate environment.

Any favorable vote on this bill will only serve the interests of a few business owners rather than the majority of residents of the State of Alaska.

This legislation does not represent good financial stewardship of mine and the States performing real estate assets.

Respectfully,

Mark S. Kulstad
Commercial Real Estate Agent and Broker 907-223-8135

CITY OF SEWARD
P.O. BOX 167
SEWARD, ALASKA 99664-0167



- Main Office (907) 224-4050
- Police (907) 224-3338
- Harbor (907) 224-3138
- Fire (907) 224-3445
- City Clerk (907) 224-4046
- Community Development (907) 224-4049
- Utilities (907) 224-4050
- Fax (907) 224-4038

March 15, 2010

The Honorable Bill Stoltze
Co-Chairman House Finance
State Capitol, Juneau, Alaska 99801-1182

Re: Support for HB 357

Dear Representative Stoltze,

This is a letter of support from the City of Seward for HB 357 as currently written. The City recognizes the value of allowing the Alaska Railroad Corporation to sell rail land that is not necessary for essential railroad purposes when such a sale is in the best interest of the State of Alaska. HB 357 also protects the rights of persons having a leasehold interest in the land by giving them notice of a pending sale and the right of first refusal.

Please feel free to contact the City Manager or Mayor of Seward if you need additional information concerning support of the City of Seward for HB 357.

Sincerely,

Handwritten signature of Phillip E. Oates in cursive script.

Phillip E. Oates, DBA
City Manager

Handwritten signature of Willard E. Dunham in cursive script.

Willard E. Dunham
Mayor

Ben Mulligan

From: Don and Carol Callahan [caltec@mosquitonet.com]
Sent: Sunday, March 14, 2010 8:43 PM
To: Rep. Tammie Wilson
Cc: Rep. Bill Stoltze; Rep. David Guttenberg; Rep. Jay Ramras; Rep. Mike Kelly; Rep. Scott Kawasaki; Rep. Tammie Wilson; Rep. Woodie Salmon; Sen. Joe Paskvan; Sen. John Coghill; Sen. Joe Thomas; ICE AK dick Brickley; Jo Swarner; publicrelations@icealaska.com; Bartos, Hank; Jewelz Nutter; Phillips, John; Cox, Wally; bwgatewood@ci.fairbanks.ak.us; croberts@ci.fairbanks.ak.us; eebratcher@ci.fairbanks.ak.us; jcleworth@ci.fairbanks.ak.us; jseberhart@ci.fairbanks.ak.us; vstiver@ci.fairbanks.ak.us; tmstrie@ci.fairbanks.ak.us; gsattley@co.fairbanks.ak.us; hbartos@co.fairbanks.ak.us; jblanchard@co.fairbanks.ak.us; kbrown@co.fairbanks.ak.us; mmusick@co.fairbanks.ak.us; nwinters@co.fairbanks.ak.us; nhoward@co.fairbanks.ak.us; tbeck@co.fairbanks.ak.us; mwant@co.fairbanks.ak.us; mayor@co.fairbanks.ak.us; Mayor@NorthPoleAlaska.com
Subject: FW: ARR REALIGNMENT IMPEDIMENT PLANS and ICE ALASKA

Dear Tammie,

In our meeting with the ARR and DOT in Fairbanks on February 12th, the first ever that got together the two major players in addressing the move of the dangerous, polluting, traffic impeding, hazmat threatening railroad out of the core living and business areas of Fairbanks and North Pole, I made the statement that stopped dead the tedious conversations at the table about the true cost of the EIS by stating that if the EIS cost 2 million or 10 million, the EIS for this project needs to be done, and needs to be done now.

To spend time second guessing the cost estimate is irrelevant. I stand by that statement, and any dissertation by the railroad, is again a presentation of a ploy to not proceed with this critical project for the future to Fairbanks. It would be ludicrous at this time for the legislature to fund 10 million dollars for this EIS project. I stand by funding 1 million for the North Pole EA as requested by Mayor Doug Isaacson, and 1 million dollars for the EIS for the Fairbanks project, the realignment from 3 Mile west to the Sheep Creek terminus. If additional monies are needed, they can be requested in another session of the legislature, and if at that time the legislature does not feel that this project is worthwhile they can refuse to fund it. And again, I state that the Fairbanks North Star Borough should be the controlling agency for this EIS contract, not the ARR.

Do we also get our say at the meeting on Tuesday?

Being a volunteer community concerned group, the RS and D group, we have no funds or ability to jaunt to Juneau on the government's dollar. We would have to do it on our own nickel, and if fuel prices get any higher we won't even have that.

I appreciate your concern and activities for your Fairbanks and North Pole constituents.

More importantly right now is that the legislature, before the end of this session, stop the ARR's goal to destroy ICE ALASKA. After 3 plus years of dealing with them that is the only way I see it.

Dick Brickley, chairman of ICE ALASKA received a transmittal from Senator Joe Paskvan's office giving the ARR's view of the ICE ALASKA lease-permit history. It seems from my discussions with a number of volunteers that have been working at the ice park for years that that history presentation is incorrect.

Sincerely,

Don Callahan

907-388-1658

From: Tammie Wilson [mailto:tammie.k.wilson@gmail.com]
Sent: Sunday, March 14, 2010 3:47 PM
To: caltec@mosquitonet.com
Subject: Re: FW: SAVE THE ICE ALASKA PARK

Dear Don,

I am meeting with the railroad on Tuesday. They have agreed to do a presentation for the House Transportation committee concerning the projects for the interior. They are also going to bring a breakdown of the phases for the Southern bypass and why it will cost \$10 million for the EIS. If you would like a copy of the information I will be happy to get it to you.

A reminder that some of the Interior Delegation will be having a joint constituent meeting on Saturday, March 20, 1:00 pm at Pioneer Park Auditorium.

Sincerely,
Tammie

On Fri, Mar 12, 2010 at 7:24 AM, Rep. Tammie Wilson <Representative_Tammie_Wilson@legis.state.ak.us> wrote:

From: Don and Carol Callahan[SMTP:CALTEC@MOSQUITONET.COM]
Sent: Friday, March 12, 2010 6:23:26 AM
To: 'Don and Carol Callahan'; Rep. David Guttenberg; Rep. Jay Ramras;
Rep. Mike Kelly; Rep. Scott Kawasaki; Rep. Tammie Wilson;
Rep. Woodie Salmon; Sen. Joe Paskvan; Sen. Joe Thomas; Sen. John Coghill
Cc: O'grady, Andy; McCauley, Becky; Thomas, Bob; ARR Dick Brickley;
Lowell, Don; Bartos, Hank; Jewelz Nutter; Phillips, John;
Gambradella, Lisa; therriault@yahoo.com; Swerman, Sid; Cox, Wally
Subject: RE: SAVE THE ICE ALASKA PARK
Auto forwarded by a Rule

Members of the legislature

The lack of cooperation of the ARR, who are the managers of the State land that ICE ALASKA calls home, has been discussed all through our extremely successful World Championships event this year. We did not bring our plight of our endeavors with the ARR to the public at the beginning of this year's activities because Dick Brickley, ICE ALASKA board chairman, felt that it would put a negative pale on everything we were doing, and that the huge responses that we have received from national and international media would be greatly damaged.

I think that was an excellent decision.

Now the people of this community are being asked to support our exceptional efforts to market Fairbanks, North Pole, the Interior and the whole State of Alaska. The response has been overwhelming. Not one person has refused to recognize our plight and support us.

In FOUR DAYS (4) we have had 2100 people sign petitions supporting Borough Resolution 2010-10, linked below.

<http://co.fairbanks.ak.us/Meetings/resolutions/2010/r2010-10.pdf>

I include a picture of the pile of these petitions taken last night on Dick Brickley's conference table at ICE ALASKA. There will soon be 1000s more.

Is it apparent that this community wants ICE ALASKA to continue to thrive and grow on the present site we have worked so hard to develop, a site that was a garbage dump before ICE ALASKA took occupancy. Certainly the legislatures' lawyers can draft the documents to transfer the State lands to the FNSB and save ICE ALASKA before the onerous lease with the ARR expires and we disassemble the ice park facilities.

I can't help but note that the O.K Lumber site now is no longer an asset to the community or a source of income to the State under the ARR management.

Sincerely, for a better Fairbanks

Don Callahan,

and ALL OF THE VOLUNTEERS (500) at ICE ALASKA

Ben Mulligan

From: housemajority_email@housemajority.org
Sent: Friday, February 26, 2010 5:51 PM
To: Rep. Bill Stoltze
Subject: HB 357

+-----+
DO NOT REPLY DIRECTLY TO THIS EMAIL: your reply will go to enews@housemajority.org To correspond with the author Hit 'Reply' or 'Forward'. Then change the TO: address to dishnet@gci.net If suspected Spam please forward to: support@housemajority.org
+-----+

From: dishnet@gci.net

As an ARR leaseholder I will support your efforts in HB 375

~ Tom Favero
Zip Code: 99701-2702

+-----+
DO NOT REPLY DIRECTLY TO THIS EMAIL: your reply will go to enews@housemajority.org To correspond with the author Hit 'Reply' or 'Forward'. Then change the TO: address to dishnet@gci.net If suspected Spam please forward to: support@housemajority.org
+-----+

Ben Mulligan

From: Bonne' Woldstad [b_woldstad@hotmail.com]
Sent: Monday, March 15, 2010 5:34 PM
To: johnsonp@akrr.com; lindskoogw@akrr.com
Subject: HB 357

Can you tell me what effect if any HB 357 would have on our issue of return of the easement upon relocation of the line?

also
under 42.40.400

Sec. 42.40.400 Vacation of easements. The corporation may vacate an easement acquired under this chapter by executing and filing a deed in the appropriate recording district. If the easement was acquired by the corporation under 45 U.S.C. 1201-1214 (Alaska Railroad Transfer Act of 1982), the state shall acquire the easement for use in conformity with those laws.

since the sections 1208 and 1209 have been repealed, and the State now has "ownership" of the line
Can you tell me if, or why not this section of Statute--would allow for the vacation of the easement and return of our property.

Hotmail: Trusted email with Microsoft's powerful SPAM protection. [Sign up now.](#)

Sampson Steel Company Inc.

Established in 1989

ALASKA'S 1ST AISC CERTIFIED FABRICATTON FACILITY

3-15-2010

Rep Peggy Wilson, Chairperson
State House Transportation Committee
State Capitol
Juneau, AK 99801

Re; Benefits of HB 357

Dear Rep Wilson -

I currently lease 2 separate parcels of State of Alaska property from the Alaska Railroad located on Post Road in Anchorage. This I-2 industrial area is an eyesore and has not been developed for over 30 years for one reason; no one will invest in this commercial real estate because they cannot own the land that they would build on.

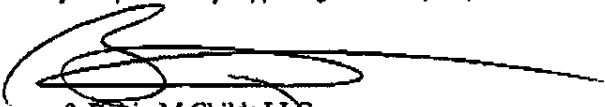
The entire Post Road area is lined with lease properties that are a shambles, and will remain a shambles until the current rules change. I don't believe the State of Alaska should be in the real estate business hampering the development of my leasehold?

I would LOVE to invest in my current lease holding, I would inject 4 million dollars into a NICE I-2 commercial building at our location within 2 years of owning the land. Without owning it, I will invest nothing beyond necessities.

HB 357; gives the state money, gives the state jobs, gives the state a better tax base, and gives the state an upscale business environment. Best of all it takes away NOTHING as the areas given up will only be designated as "non-essential to railroad use". In our case, the Alaska Railroad REMOVED THE RAIL ROAD TRACKS THAT USED TO BE DIRECTLY BEHIND MY BUILDING! They have no reason to own the land and stop development.

Please help remedy this problem by supporting HB 357 by Representative Stoltze.

Respectfully,


Bruce R Morgan & Robin M Childs LLC.
1848 Post Road
Anchorage, Alaska 99501

Sampson Steel Company Inc
1848 N. Post Road, Anchorage Alaska 99501
Phone (907) 561-5626 Fax (907) 561-5625
Email; Bruce.Sampson@acsalaska.net or
on the web at Sampsonsteelco.com

CITY OF SEWARD
P.O. BOX 167
SEWARD, ALASKA 99664-0167



- Main Office (907) 224-4050
- Police (907) 224-3338
- Harbor (907) 224-3138
- Fire (907) 224-3445
- City Clerk (907) 224-4046
- Community Development (907) 224-4049
- Utilities (907) 224-4050
- Fax (907) 224-4038

March 15, 2010

The Honorable Bill Stoltze
Co-Chairman House Finance
State Capitol, Juneau, Alaska 99801-1182

Re: Support for HB 357

Dear Representative Stoltze,

This is a letter of support from the City of Seward for HB 357 as currently written. The City recognizes the value of allowing the Alaska Railroad Corporation to sell rail land that is not necessary for essential railroad purposes when such a sale is in the best interest of the State of Alaska. HB 357 also protects the rights of persons having a leasehold interest in the land by giving them notice of a pending sale and the right of first refusal.

Please feel free to contact the City Manager or Mayor of Seward if you need additional information concerning support of the City of Seward for HB 357.

Sincerely,

A handwritten signature in cursive script, reading "Phillip E. Oates".

Phillip E. Oates, DBA
City Manager

A handwritten signature in cursive script, reading "Willard E. Dunham".

Willard E. Dunham
Mayor



Joe Beedle
President

March 15, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
State Capitol, Room 406
Juneau, AK 99801
Sent Via Fax 907-465-3175

Regarding HB 357 – Sale of Alaska Railroad Land

Madam Chair Wilson,

I write today in support of HB357 as an individual, as a bank president and as someone with prior experience as an officer in a State entity that benefits significantly from sale of non-essential real property.

While individuals and enterprises may invest in leasehold estate property, and banks may take assignments of leasehold for security, such development or lending usually results in less than the highest and best use of the property or results in less long term care of or maximum improvement to the property. Given a choice at market rents, investors and lenders will usually chose to develop land that is owned outright or 'fee simple.' Such greater 'real' improvements tend to increase production, employment, tax revenues and 'quiet enjoyment' by the successor owner.

Typical prudent investors that own real estate will analyze the potential appreciation of the real property and then compare and contrast the potential leasehold earnings against a permanent financial investment for a prudent long-term hold. If the land would not appreciate at 5-8% compounded and a permanent investment could foreseeable exceed that return, and the property is non-essential to the owner, it is quantitatively prudent to convert the long term land asset into a long term investment for greater gain to the owner (State/AK Railroad). Exchanging one long term asset for another long term asset of greater flexibility and potential financial leverage is considered a prudent and beneficial decision.

During my service as VP Finance at the University of Alaska, a land grant university, I witnessed and prudently oversaw the sale of non-essential/non-educational land and the investment of cash proceeds into the UA Land Grant trust fund wherein the principal was inflation proofed and the earnings, subject to legislative appropriation and regent/trustee dedication, were used to advance the needs of the university. The land was typically developed for constructive use, which added to production, employment and 'quiet enjoyment' while improving the local tax base if located in a municipality.

In summary, I believe that affording the Alaska Railroad this flexible tool will benefit all stakeholders and I encourage your support and passage of the legislation.

Sincerely,

Joe Beedle, President

3111 C Street • P.O. Box 241489
Anchorage, Alaska 99524-1489
(907) 562-0082
Fax (907) 562-1758 Member FDIC



PUGET SOUND PIPE AND SUPPLY CO.
2120 Spar Avenue, Anchorage, Alaska 99501
PHONE (907)277-7473 FAX(907)277-9565 E-mail: jerryhendriks@aol.com

March 15, 2010

Honorable Peggy Wilson, Chairwoman
Alaska State House of Representatives
Transportation committee
State Capitol
Juneau, Alaska 99801

Dear Chairwoman Wilson,

I am writing in support of House Bill 357, which would allow the sale or disposition of the non-essential railroad lands. I believe that the passage of this legislation has merit on several levels:

1. As a tax payer of lands owned in the MOA, I would like to see more land become privately owned, less Federal and State owned land.
2. As a land owner on the South side of Ship Creek, We have improved the land we own and thereby pay additional taxes to the local government.
3. If I were a lease holder on the North side of Ship Creek, I would have little incentive to improve the property, as it not only increases my taxes, but greatly increases my lease expense. The end result is the properties on the South side of Ship Creek are newer and in better condition than those properties on the North side of Ship Creek.
4. Increased investment in private lands leads to a healthier private industry, thereby creating additional jobs in a prime Anchorage industrial area. Many of the building on the North side need to be replaced or remodeled. Ownership of the land would allow the owner to make this investment, without the negative impact of increased lease expense.
5. Please consider supporting HB 357. The entire Alaska Rain Belt will appreciate your committee's favorable consideration of this important House bill.

Jerry Hendriks

Vice President Alaska Operations

DISTRIBUTOR OF PIPE, VALVES AND FITTINGS
COMMITMENT TO QUALITY THROUGH SERVICE

WAKE MOVING & STORAGE

March 8, 2010

Rep. Bill Stoltze
House Transportation Committee
AK State House of Representatives
State Capitol
Juneau, AK 99801

RE: House Bill 357- Sale of Railroad Lease Land

Dear Representative Stoltze:

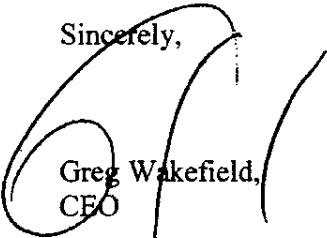
I am writing in support of this legislation.

As the owner of Alaska's largest Moving and Storage Company, I feel that it is in the best interest of the State of Alaska and local governments to have commercial property in the hands of private citizens.

As a leaseholder we have no rights to develop our properties or sell without improvements without approval of the railroad, which they often withhold without reason. This reduces economic activity and business development which reduces employment and government revenue.

I believe that a successful business environment is predicated on the ability of business to invest and own property and land and I thank you for your support of this legislation.

Sincerely,



Greg Wakefield,
CEO

Corporate Headquarters
717 E. Ship Creek Avenue
Anchorage, Alaska 99501
Phone: (907) 276-3506
Fax: (907) 258-3986

Washington Branch
5655 8th Street East, Suite 200
Fife, Washington 98424
Phone: (253) 588-9555
Fax: (253) 588-9406

Kodiak Branch
11590 Rezanof West
Kodiak, Alaska 99615
Phone: (907) 487-2140
Fax: (907) 487-4999

Fairbanks Branch
1900 Livengood
Fairbanks, Alaska 99701
Phone: (907) 451-0282
Fax: (907) 452-5233

Juneau Branch
P.O. Box 3436
Juneau, Alaska 99801
Phone: (907) 780-4374
Fax: (907) 780-4521

March 10, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska State House of Representatives
State Capitol, Room 406
Juneau AK 99801

Via fax: (907) 465-3175

RE: HB 357

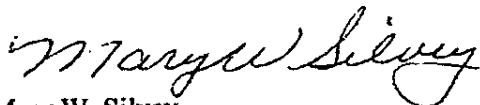
Dear Chairwoman,

As a former leaseholder with the ARRC, I support this bill. My understanding is that when these lands were transferred to the State, the intention was that such lands would be sold to private parties. Under that belief, at least some former leaseholders that I have known expanded their facilities. Several years ago, a commission formed to research long-term plans for the State also recommended that these lands be sold.

Besides original intent, it is my belief that these lands are not developed to their potential because there is always the threat of ARRC takeover at the end of the lease. I realize this is standard leasehold practice, but the ARRC is statutorily prohibited from selling its land. This was enough incentive for me not to further improve my property.

The ability and flexibility to maximize these properties will be of benefit to the communities as well in expanding the revenue capacity of the lands and value of tax base.

Sincerely,



Mary W. Silvey
PO Box 71350
Fairbanks AK 99707

Cc: Bill Stoltze via fax: (907) 465-4928
Cc: Peter Macksey via email: pmacksey@steelfabak.com

HB357 re ARRC leases Mar 2009

March 12, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
State Capitol, 4th Floor
Juneau, Alaska 99801

RE: HB 357

Dear Representative Wilson,

I recently learned about House Bill 357, and I am writing in support of this measure.

I work for a Fairbanks based company, that has been in business, since 1974, which is located on railroad-leased land. In fact, all the businesses around us, are located on Railroad-leased land. The land we are based on, is not used for railroad operations and Never will be.

This legislation would allow for the sale of these properties. In AT&S case and the others around us. This would be an asset, to the companies, to own the land there business is located on.

With your help, lets do the right thing and pass this bill.

Thank you,
Randy Arendell
AT&S Inc.
1883 Fox Ave.
Fairbanks, Alaska 99701

6 March, 2010

Hon. Peggy Wilson
Chair, House Transportation Committee
State Capital, Room 406
Juneau, Alaska 99801

Dear Representative Wilson;

I am writing in support of House Bill 357, which would allow the sale or disposition of non essential railroad lands. I give these reasons for this solution:


There is a lot of land controlled by the Alaska Railroad. The State land on Commercial Drive was sold to tenants years ago.

It would probably lead to larger operations being located in the Railroad area.

I have leased from the Alaska Railroad since the end of 1975. In the last few years, the City of Anchorage has been charging taxes on the value of the Alaska Railroad leases. Nobody seems to know if the lease value is reduced as the years left on the lease are reduced. As my lease has left time remaining, the taxes have gone up considerably.

I think if the property was owned by companies or individuals, tenants would be in a better position to expand, get loans, etc. The Railroad has a lot of fine people working there, and I don't have anything against anyone.

Thanks for your efforts.

Sincerely,

Harvey Dougherty
Alaska Crate & Pallet
3405 Vassar Drive
Anchorage, Alaska 99508 CC: Bill Stoltze ↙

BKC Alaska LLC
114 E 3rd Avenue Ste 211
Anchorage, AK 99501
Phone 907.222.1800
Fax 907.222.1802

March 3, 2017

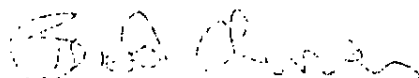
Honorable Peggy Wilson, Chairwoman
Alaska State House of Representatives
Transportation Committee
State Capitol
Juneau, AK 99801

Dear Chairwoman Wilson:

I urge your endorsement and support of HB 357. Our family has leased a small parcel of railroad land since the late 50's. On many occasions over the years we have tried unsuccessfully to purchase this parcel. We operate a small business and could never justify the improvements we need as we do not own the land.

More recently, the Municipality of Anchorage in conjunction with railroad officials has forced the railroad lease holders to pay property taxes on land that they do not own. We are in full support of this legislation and hope it will pass during the current session.

Thank you for your support.



Eric C. Berrie

Pamalyn Duvall

From: Mark Sprano [marksprano@gmail.com]
Sent: Wednesday, March 03, 2010 3:27 PM
To: Pamalyn Duvall
Cc: ashleyreed@gci.net; rfaulkner@steelfabak.com
Subject: House Bill 357

Date March 1, 2010

Honorable Peggy Wilson, Chair

House Transportation Committee

State Capitol, 4th Floor

Juneau, AK 99801

Dear Chair Wilson,

I am writing in support of House Bill 357, which is currently in your committee. I believe this legislation deserves the attention and support of the legislature because of its positive implications for the economy of our state.

First and foremost, giving the railroad the authority to dispose of non-strategic land within their real estate portfolio creates the logical first step of putting more government-owned lands in the private sector. By doing so, you will significantly increase the economic climate for more investment, create new and more jobs, and expand the local tax base of our communities along the railbelt.

A move like this will allow the RR to make sound and rationale decisions about their real estate portfolio for the betterment of their operations as well as for their communities and leaseholders.

This legislation is pro-business, pro-jobs, pro-private sector and deserves the attention and passage of

the Alaska State Legislature. Thank you for your consideration.

Regards

Mark Sprano

--
Mark Sprano

Alaska Marble & Granite Inc.
1115 Whitney Rd.
Anchorage Alaska 99501
907 277-7625



Accurate Time Tracking
and Job Costing

TaskKlock, Inc.
1115 Whitney Road
Anchorage, AK 99501

(907) 563-9724
(877) 962-2678

www.taskklock.com
tkinfo@taskklock.com

March 3, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska House of Representatives
State Capitol, Room 406
Juneau, AK 99801

RE: HOUSE BILL 357

Dear Chair Wilson,

Please support HB 357 currently in your committee. This legislation will help Alaskan businesses by placing public lands into private use. Alaska has more public lands than any other state and this legislation will allow these lands to generate tax revenue and strengthen the bottom line of the private sector. This legislation is the type of real and tangible support that the State can provide to help diversify the economy. This legislation is one that provides benefits without harming the ARRC. The Rail Road will continue to receive revenue from the invested proceeds of these land sales and it puts the land into private hands for the benefit of Alaskans.

Thank you for your consideration,

Marguerite C Kremer



Timekeeping
made ATM-simple

Ken McCarty
11441 Lower Sunny Cr.
Eagle River, AK 99577

March 2, 2010

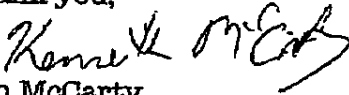
Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska House of Representatives
State Capitol, Room 406
Juneau, AK 99801

RE: HOUSE BILL 357

Dear Chair Wilson,

Please actively support HB 357 as this will be tangible and visible support of small business interests in Alaska. This legislation will help put public lands into private ownership and will lead to increased investment and job growth. This will allow the ARRC to concentrate on their primary activity and still maintain the revenue stream that they currently have from their real estate operations. It also is revenue neutral which is probably a rare situation in these economic times. This seems like a situation where both parties benefit and I strongly urge you to give it the attention that it deserves.

Thank you,


Ken McCarty

Cc: Honorable Bill Stoltze

Thomas Tonkin
2005 Misty Meadows
Anchorage, AK 99502

March 4, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska House of Representatives
State Capitol, Room 406
Juneau, AK 99801

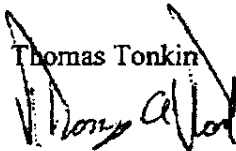
RE: HOUSE BILL 357

Dear Chair Wilson,

I would like to ask for your support of HB 357 that is currently under consideration in your committee. I have been employed by a company for the last sixteen years that leases property from the ARRC. My employer faces numerous uncertainties and challenges as do most small businessmen. As an example the ARRC has increased the land lease payment cost from \$780.00 per month in 2001 to \$2,990.00 per month currently. The current rate approaches an almost four fold increase in just 9 years. These dramatic increases place strain on already stretched finances and reduce the available funds to expand the business and increase wages.

From my reading of this legislation it seems like an excellent opportunity to place privately used property into the ownership of those entities that use and occupy these properties. The ARRC will still receive an income stream from the investment income from the proceeds of the sale and the users will reap the benefits and predictability of land ownership. This appears to be a situation that benefits both the private sector as well as the public interest.

Thank you for your consideration,

Thomas Tonkin


Erik Brubaker
P.O. Box 876432
Wasilla, AK 99687

March 3, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska House of Representatives
State Capitol, Room 406
Juneau, AK 99801

RE: HOUSE BILL 357

Dear Chair Wilson,

House Bill 357 that has been introduced by Rep. Stoltze, would support private sector businesses that are currently lease holders with the ARRC. As you are aware a large proportion of land in Alaska is held by the public including those lands that are leased by the Railroad to businesses along the rail belt region. Most railroad leased land has no direct impact on the day to day operational activities of the Railroad. The Railroad by virtue of these leases exerts control and creates uncertainty for the long term health of the leaseholders. This legislation if enacted, would provide the leaseholders a secure future and give them the flexibility to invest for the future. It also allows the Railroad continued revenue for their train operations and lets them focus on their primary reason for existence.

Respectfully,



Erik Brubaker

cc: Honorable Bill Stoltze

Bohuslav Fiala
167 Ocean Park Dr.
Anchorage, AK 99515

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska House of Representatives
State Capitol, Room 406
Juneau, AK 99801

RE: HOUSE BILL 357

Dear Chair Wilson,

I am writing to ask your support of HB 357 currently under consideration in your committee. This bill, if enacted, will have a positive impact on Alaska's economic future by securing the economic future of current ARRC leaseholders.

This legislation will give the railroad the authority to sell their non-strategic land within their real estate portfolio and puts public lands into private ownership. This will significantly increase economic climate for more investment, create new jobs and ensure existing ones, and expand the local tax base all along the rail belt.

This legislation does all this and is revenue neutral. The railroad will continue the revenue stream that it currently enjoys while businesses can secure their future through land ownership. This legislation is pro business, pro jobs and pro private sector business and it allows the ARRC to concentrate on their primary mission of operating our railroad.

Respectively,


Bohuslav Fiala

Cc: Honorable Bill Stoltze

WHOLESALE DISTRIBUTORS OF ALASKA, INC.

WWW.WDAALASKA.COM

2548 N. POST ROAD • ANCHORAGE, ALASKA 99501
(907) 277-8584 • TOLL FREE 800-478-8584 • FAX (907) 277-5707
3/2/2010

Honorable Peggy Wilson, Chairwoman

Alaska State House of Representatives

Transportation Committee

Juneau, AK 99801

Dear Chairwoman Wilson,

I sincerely request the support and endorsement of HB 357. This bill deals with the sale and the redistribution of ownership of unessential railroad land.

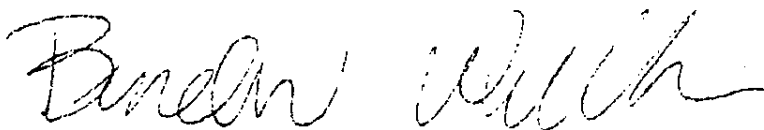
This legislation, if passed, would allow the railroad to sell lands that are in surplus to their transportation operations. This in turn would allow the businesses and other interested parties to procure the land that they already have financial interests and investments in. By doing so, the Railroad would not be infringing upon the directives of their board, or the welfare of the public. If the private entrepreneurs/corporations are allowed to own the land that they have established their respective enterprises on, they are thus more likely to further invest in said enterprises and strengthen our local community by remaining where they are. Investments will then lead to more jobs and revenue for the community/state as well.

Nearly all the land in the state of Alaska is government owned (just about 98%). By allowing the railroad to sell the extra land to these business owners, it would grant the private business sector more strength and revenue.

Please consider this bill and all that I have stated as it is crucial for the development and prosperity of the private business sector as well as the continuing stability of our local communities.

Sincerely,

Brandon Wallace



ALASKA'S LEADING WHOLESALE OF BUILDING SPECIALTY MERCHANDISE



Alaska Flor-Wall, Inc.

D I S T R I B U T O R S

NAME BRANDS

STOCKED IN ALASKA

501 East Ship Creek Avenue • Anchorage, AK 99501 • (907) 272-3030 • 1-800-478-5686 • Fax (907) 272-4270

March 2, 2010

Honorable Bill Stoltze

RE: HB 357

Dear Representative Stoltze,

We recently learned about House Bill 357 and we are writing to say Thank You for sponsoring this bill.

We have leased our property from the Alaska Railroad since 1965. We would not even consider doing any improvements due to the uncertainties of our lease. There has only been one new business on our street within the last 10 years and it failed. There are many lots available but no one wants to develop them because of the lease agreement. The railroad does not use or need these lots for railroad purposes. It is a shame to have properties sitting vacant and leased land buildings needing repair. The lands have become an eyesore to the community.

Please let us know if there is more we can do to help this bill.

Again, thanks so much. If you have any questions, please email me at kjperham@gci.net.

Thank you,

ALASKA FLOR-WALL, INC.

Karen A. Paulson Perham
President

February 25, 2010

Honorable Peggy Wilson, Chairwoman
House Transportation Committee
Alaska State House of Representatives
Juneau, AK 99801



Dear Representative Wilson,

Here's the key to the simplicity of HB 357: it just starts the process that was set-up over 25 years ago when the Federal government transferred ownership to Alaska. Part of that Federal transfer specified that state-owned, non-operational railroad lands could be purchased at fair market value after 10 years. HB 357 just specifies that it's alright to begin the process.

HB 357 will allow business owners like me, who has leased state land through the Alaska Railroad Corporation, the opportunity to purchase land that I have improved upon for over 25 years (I have made over \$8 million in capital improvements to my business site). I have paid taxes on this land, too, even though I do not own the land. I have done this in order to build my steel fabricating business to be the top steel fabricator in Alaska, with the largest capacity and capabilities in the state. The reason I want to make sure that other Alaska industries can get their steel needs met in Alaska, without going outside the state.

Under current lease conditions, if I would close or move my business, all the capital improvements would belong to the ARRC. Frankly, I have always found this very bothersome. I look around me, at other leaseholders, and I am sure that if they were able to own the land they are sitting on that they would make major improvements, which would equate to higher property values, greater civic pride and beautification, and a stronger tax base for Rail Belt communities.

Help us eliminate serfdom from the Rail Belt. Please give HB 357 your most earnest consideration, Representative Wilson. HB 357 is a simple bill crafted to treat leaseholders who desire to buy their property as equally as those who wish to continue to lease. Private property owners in Alaska are a rare breed: only 2 percent of Alaska land is in private ownership. Please give us a chance to help remedy this inequality.

Sincerely,

Richard Faulkner
President

February 25, 2010



2002 HURD
ANCHORAGE
TAXING
ALASKA STEELS

Honorable Peggy Wilson, Chairwoman
House Transportation Committee
Alaska State House of Representatives
Juneau, AK 99801

Dear Chairwoman Wilson,

I am writing to ask you to give HB 357 your committee's fullest deliberation. It is a bill that will right a major inequity for my business and for many other businesses in Alaska's Rail Belt.

Currently we have to make and pay for many capital and property improvements ourselves. (We were required to pay for a new water line on property we did not own.) We "inherited" our lease when we bought this business, over 25 years ago. The lease has proved to be the only regret I have about owning this business. It is a bitter pill to know that while you are improving your business to the highest standards, that those improvements may end up belonging to another owner.

Alaska depends on private enterprise to keep building new jobs more than any other segment of our economy. This is especially important during these tough economic times. A business that could have the opportunity of owning its land would also have the confidence to make additional capital improvements and expansions. This will provide huge benefits to local communities.

Rather than continuing to lock up more land from private ownership, let a crack of light and hope shine down on the many businesses who struggle daily to be competitive. After all, it was set out in the original Federal transfer of lands as a fair and equitable procedure. The Alaska Railroad Corp. has done nothing but drag its heels on this process, and I think HB 357 will give everyone the green light to proceed with a process that should have started 20 years ago. I really believe HB 357 is a fair and equal way to start this important adjustment.

Sincerely,

A handwritten signature in cursive script that reads 'Janet Faulkner'.

Janet Faulkner
Vice President

RECEIVED

MAR 02 2010

February 25, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska State House of Transportation
State Capitol, 4th Floor
Juneau, Alaska 99801

Re: House Bill 357

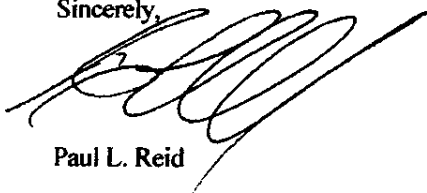
Dear Representative Wilson,

I am writing to you in support of House Bill 357. As an Alaska Railroad Leaseholder myself, I know first hand the difficulties and restraints associated with dealing with the railroad. While my lease, primarily because of its location, will probably not be one of the parcels of land ever put up for sale or disposition; nonetheless, as a businessman I know of many parcels that are not strategic to the railroad and where the community's commerce would likely improve substantially if these parcels were sold and in private hands. One of Alaska's biggest problems is that too much land is owned by the government, both federal and state.

Putting railroad lands that are not necessary to their operation or strategic purpose in the hands of the private sector would increase business Capital investment, thus creating more jobs and a stronger local tax base. I know of many leaseholders unwilling to further invest in their businesses because of the uncertainty of their leases and the perceived difficulties in dealing with the railroad and their real estate office.

Again, in the strongest terms possible, I urge swift passage of house bill 357. Furthermore, I would like to compliment Representative Bill Stoltze for having the business acumen and determination to address an important issue to the rail belt region and its commerce.

Sincerely,



Paul L. Reid

cc: Representative Bill Stoltze

sagaya
corporation

2525 blueberry road suite 106 anchorage, alaska 99503
tel 907 563-0220 fax 907 563-0240

STATEWIDE DOOR & GLASS

221 East Ship Creek Avenue Anchorage, Alaska 99501

Phone: (907) -562-2074 Fax: (907) -562-1803

3/2/2010

Page 1 of 2

Honorable Peggy Wilson
Chairperson, Transportation Committee
Alaska House of Representatives

Dear Representative Wilson,

My name is Mike Hammer. I am the owner of Statewide Door & Glass. I do commercial glass service and new installations for projects throughout Alaska. I currently employ 25 – employees year round. I purchased my current building in 1999. It sits on Railroad leased land, located on Ship Creek Avenue. This street was originally named Warehouse Avenue until about 10 years ago. The name of the street was changed by the Railroad Corporation to make it appear that the area was not used for industrial, manufacturing, or storage purposes. There are currently at least 10 – businesses on this street that that still do this kind of work to make a living. They have all been here longer than me.

Over the past 10 – years, some businesses have had their leases expire. When this happens, the Railroad has refused to renew them. As a result, the owner is currently required to demolish the building and have the debris hauled off to the landfill at the owner's expense unless the Railroad wants the building. Then, they will waive the demo requirement and take over the building. I have been told that my lease will not be renewed if I continue to operate as a glass shop. By doing this, the Railroad will eventually own all of the buildings or get rid of them. The goal is to turn this area into a tourist shopping and retail area.

Page 2 of 2

The Railroad Corporation has allowed 3 – new buildings to be built since I have been here. The Comfort Inn Hotel, The Ulu Factory, and The Bridge Restaurant. They were allowed to be built because they fit into the future model of what the Railroad would like to see happen in this area. The problem is that this area is not attracting any investment as the Railroad Corporation expected.

The Bridge Restaurant went out of business two years ago. The building has been for sale ever since and is still empty. There is an empty lot next to mine that has been advertized as a great location for a new Condominium project. There has been no interest. The Ulu factory had to invest in a shuttle bus to get people from downtown to come see their store. There are many other empty lots for sale.

As I see it, the Alaska Railroad Corporation has become a real estate holding company who still likes to play with trains! The federal government GAVE this land to Alaska so it could be used for transportation and building infrastructure, not to build shopping malls and coffee stands for tourists that will sit empty eight months of the year.

I would like to be able to purchase the land that my building sits on. I would like to continue to employ people who live and work in Alaska all year long. Having to start over again in another building because my lease will not be renewed may put me out of business. Please do what you can to help myself and others in my position so that we can stay where we are and continue to employ Alaskans. Please support House Bill #357.

Sincerely,



**Alaskan Wood Moulding Inc.
1115 Whitney Rd.
Anchorage AK 99501
Ph: 907-563-9724. Fax: 907-563-9725**

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska House of Representatives
State Capitol, Room 406
Juneau, AK 99801

RE: HOUSE BILL 357

Dear Chair Wilson,

I am writing in support of House Bill 357. This bill is long overdue and if passed will have a positive impact on commerce, our economy and our local community's tax base(s). For the communities surrounding the rail belt, this legislation will probably be the largest positive impact on the economy and creation of jobs.

Alaska's economy is restricted because of the amount of land under government ownership and control. This legislation is a positive step in getting land from under government ownership into the hands of the private sector. With that will come greater investment and more jobs.

On a separate note, I saw on the news a legislative proposal that would charge the Alaska Railroad with the responsibility of developing a small diameter gas pipeline, often referred to by Alaskans as a bullet line. From my perspective, this is a terrible and short-sighted proposal that does not contemplate the railroad's ability to waste money. Their direct managerial involvement will almost certainly insure a tariff that would be unaffordable to most Alaskans.

In conclusion, I want to take this opportunity to extend my thanks and appreciation to Representative Stoltze who authored this bill. Without his business sense and leadership, we would most likely continue operating under the existing arcane structure of governmental ownership. Please support passage of HB 357.

Respectfully,



Mark Stearns

**Alaskan Wood Moulding Inc.
1115 Whitney Rd.
Anchorage AK 99501
Ph: 907-563-9724, Fax: 907-563-9725**

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska House of Representatives
State Capitol, Room 406
Juneau, AK 99801

RE: HOUSE BILL 357

Dear Chair Wilson,

I would like to urge your support of HB 357, which is currently under review by your committee. This legislation is important to Alaska businesses and would help diversify and strengthen the private sector.

As you know, the vast majority of land in Alaska is held by various public entities, which limits opportunities for the private sector. HB 357 is a reasonable vehicle for current land users to have the ability to purchase the property that they currently lease from the ARRC. The ability to own both the land and the improvements on these properties vastly increases the bottom line health of business and opens lines of credit that can be utilized to expand and grow. This legislation is a win/ win opportunity for the ARRC to continue to generate revenue from the proceeds of the proposed land sale while Alaskan businesses gain the financial leverage to continue to create jobs.

Respectfully,



Mark Stearns

Cc: Honorable Bill Stoltze