

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672
4962 HRES HB 226 - HB 231

584

INTRODUCTION

Two years ago the Aleutians East CRSA and Regional Strategy Board initiated a study on forming a regional government (a borough) for the Aleutians East region. The study was completed this past March, and the question - Is it a good idea for the region's communities to organize as a borough government? - is now being discussed by community leaders. The main reasons organization of a borough is being considered are:

- The falling price of crude oil that has caused the state to substantially reduce both its capital and operating budgets and thus its financial contributions to communities for education, capital improvements and general government operations.
- Proposed changes in the state's school foundation funding formula that would provide more money for regional school districts, such as boroughs, rather than the smaller school districts such as Sand Point, King Cove and the Aleutians REAA.
- Legislative proposals that could result in the

combination of the Unalaska, King Cove, Sand Point, Aleutians REAA, Pribilof REAA and other area school districts into a single school district.

- A changed emphasis in federal spending patterns which has resulted in substantial cuts in federal appropriations for community water, sewer, airport, highway and other uses.

In the face of these circumstances, the Aleutians East Strategy Board and community leaders from Akutan, Cold Bay, False Pass, King Cove, Nelson Lagoon and Sand Point met in Anchorage on November 10, 1986 to:

- examine the important changes that are taking place - or being proposed - and how they will affect the Aleutians East region;
- take a closer look at the prospect of an Aleutians East Borough to assist in overcoming the financial problems facing the region; and
- see what fellow residents from the region think should be done to overcome these difficulties.

Persons attending the meeting included:

NAME	COMMUNITY	REPRESENTING
Donald V. McCallum	King Cove	AE CRSA, KC City Council
Debra Dushkin	Sand Point	City of Sand Point, City Clerk
Marva J. O'Keefe	Sand Point	AE CRSA, SP Plann. Comm.
Paul R. Gronholdt	Sand Point	Sand Point City Council
Raymond Koso	King Cove	King Cove City Council
Paul E. Gundersen	Nelson Lagoon	Comm. Rep., NL Corp.
Dick Jacobsen	Sand Point	Sand Point City Council
William R. Eubank	Sand Point	Comm. Rep., Board of Ed.
Wayne Marshall	King Cove	City of King Cove - Mgr.
James Gould	King Cove	Community Rep.
Dean Gould	King Cove	King Cove City Council
Carol Samuelson	King Cove	City of King Cove, Dep. Clerk
Cynthia Samuelson	King Cove	City of King Cove, City Clerk
B.B. Cumberledge	Sand Point	Sand Point City Council
Dave Osterback	Sand Point	Sand Point City Council
Per Jonsson	False Pass	Community Rep.
Edwin Bendisen	King Cove	King Cove City Council
Lamar J. Cotten	Sand Point	City of Sand Point - Mgr.
Jack R. Foster, Sr.	Sand Point	City of Sand Point, Mayor
Martin Gundersen	Sand Point	Sand Point City Council
Jennie Robinson	Akutan	City of Akutan
Florence Anderson	Akutan	Akutan
Erika Trittemmel	Akutan	City of Akutan - Mgr.
Jacob Stepetin	Akutan	City of Akutan, Mayor
Anna McGlashen	Akutan	City of Akutan, City Clerk
Henry D. Larsen, Jr.	King Cove	King Cove City Council
Edward G. Jackson	King Cove	Aleutians East CRSA
Borge Larsen	False Pass	Aleutians East CRSA
Ken Johnson	Sand Point	Aleutians East CRSA
Allan Nelson	Nelson Lagoon	Aleutians East CRSA
Alex Samuelson	King Cove	City of King Cove, Mayor
Clayton Brown	Cold Bay	CB Mayor, Pres. ARSD
LeRoy Owens	Anchorage	Supt., Aleutian REAA
Marjorie Dunaway	Sand Point	Program Coordinator, Aleutians East CRSA

In summary, conference participants generally agreed:

- there are a number of serious financial, capital improvement, political and other problems facing the region;
- conference participants should meet again early in 1987 to make a more informed decision on borough organization;
- more up-to-date information should be gathered

and examined before community leaders make a final decision on if the area should incorporate an Aleutians East Borough;

- an Aleutians East Borough is probably the best way for residents to address many of the region's problems; and
- the incorporation of an Aleutians East Borough is or may soon be necessary.

TERMS YOU NEED TO KNOW

This brochure makes repeated use of several words or phrases common to the subject of local government in Alaska. These include:

Area-wide Powers: responsibilities and services (e.g., education, planning, taxation, etc.) that a borough provides everywhere within the borough's boundaries - including the area within the boundaries of cities.

Assembly: the legislative body of a borough whose members are elected to office.

Borough: a regional local government and municipal corporation with legislative responsibility and executive authority to carry out required and desired powers. A borough is a political subdivision of the state.

City: a community that has formally incorporated as a first or second class municipality or taken on home rule status under the laws of the state of Alaska. A city is a political subdivision of the state. Akutan and Gold Bay are second class cities. King Cove and Sand Point are first class cities.

Aleutians East Coastal Resource Service Area (CRSA): is the organization established in 1982 to prepare a coastal management program for the Aleutians East Region. The CRSA is governed by a locally elected seven-member board. The Aleutians East Regional Strategy Board has worked as part of the CRSA to do planning for the region.

Local Boundary Commission: is the state body composed of citizen members appointed by the governor that consider petitions for the incorporation of borough governments and decide if such requests should be put to a vote of the people in the area requesting the formation of a borough government.

Mandatory Powers: powers which **must** be exercised by a municipality (i.e., a borough or city) as required by law.

Ordinance: a local law enacted by the borough assembly or city council.

Personal Property: property other than real property, such as merchandise and stock-in-trade, machinery and equipment, furniture and fixtures, motor vehicles, boats and vessels, and aircraft.

Real Property: land and improvements and all possessory rights and privileges appurtenant to the property, and includes personal property affixed to the land or improvements.

School Board: the elected representative body of a municipality (i.e., borough or city) which is responsible for exercising certain educational powers defined by law.

State Board of Education: is the state body composed of citizen members appointed by the governor that is responsible for overseeing the state's educational program.

PROPOSED BOROUGH BOUNDARY



WHAT WOULD A BOROUGH DO?

An organized borough must - by state law - exercise at least three areawide responsibilities: taxation, planning, and education. These are mandatory powers of a borough.

However, the law provides that a borough can delegate its planning and zoning responsibilities back to the cities in the borough. Also, there are ways a borough can give a

great deal of its responsibilities for education back to the individual communities within it (for example, each community decides which teachers should be hired).

A borough would also provide a much bigger resource base from which to raise local revenues to provide funds for education services and capital improvement projects.

WHY IS FORMING AN ALEUTIANS EAST BOROUGH BEING DISCUSSED?

If state revenues and spending were to remain at FY 85-FY 86 levels, there would be little need to consider forming a borough. However, as described below, there are many changes which are occurring or projected to occur which

will negatively affect state and federal spending and services to the region. A borough may be one way to help address these revenue and service reductions.

HOW HAS STATE AID TO COMMUNITIES FOR GENERAL GOVERNMENT PURPOSES BEEN AFFECTED?

State revenues and the state budget have been on the decline for the past several years because of falling crude oil prices. For example, the FY 87 (July 1, 1986 - June 30, 1987) state budget was \$2.6 billion. The proposed budget for next year - FY 88 - will be about \$1.5 billion. Thus, the budget will decline by over 40% in just one year.

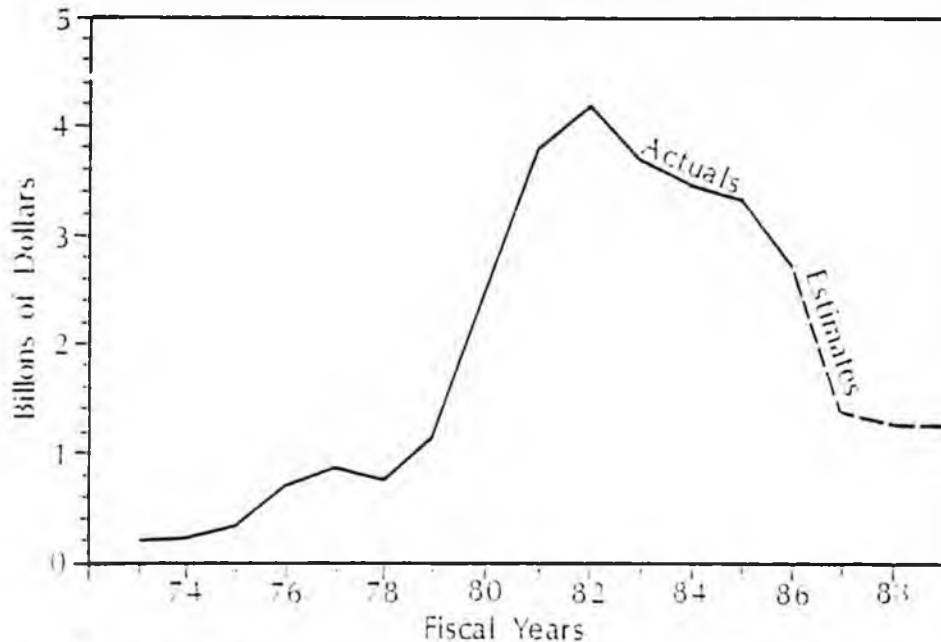
This reduction in oil revenues to the state, as illustrated in the following graph, is expected to continue. Thus, the state and local communities must decide how to deliver services when there is less money available.

This drastic decline in state revenues means major reductions in state grants and state spending in communities in the Aleutians East Region. Examples of this decline in-

clude:

- state school funding support has decreased by about 20% in the last two years and additional cuts of 15% - 50% are proposed for next year. This means considerably less monies to operate all schools in the region.
- state Revenue Sharing has decreased by 20% in the last two years and is expected to decrease an additional 15% next year. This reduction affects all communities in the region.
- Municipal Assistance has decreased by 20% in the last two years and is proposed to be completely eliminated next year. This reduction mostly affects Akutan, Cold Bay, King Cove and Sand Point.

GENERAL FUND UNRESTRICTED REVENUES



HOW HAS CAPITAL IMPROVEMENT PROJECT FINANCING BEEN AFFECTED?

state funding for capital improvements (docks, harbors, roads, etc.) construction has likewise been drastically curtailed. For example, state appropriations for capital improvements have fallen from a high of \$1.2 billion in 1983 and 1984 to only \$150 million for the current fiscal year. In short, state monies for capital improvement projects have decreased 90% in three years.

It is impossible to calculate precisely what this means to

the Aleutians East region since politics plays an important role in the legislature's decision making on capital improvement allocations. **There can be no doubt, however, that the region faces a rather significant drop in the appropriation of state funds for community facilities.** Especially, when it is remembered that the six communities in the Aleutians East region alone received well over \$25 million for capital improvements construction between 1983 and 1986.

HOW HAS COMMUNITY EDUCATION/FINANCING BEEN AFFECTED?

The problems associated with the delivery of education services in the Aleutians East area are troublesome. State funding for education is being substantially reduced because of the fall in oil prices. Thus, local school districts must come up with more local money to cover these state reductions just to maintain educational services at past levels. And, if this isn't bad enough, the state is requiring local school districts to contribute a greater proportion of their education budget from local sources.

On another front, many people in the state believe that the way the state distributes educational monies to city, borough, and REAA school districts is not equitable. They propose that regional borough school districts get a bigger slice of the educational financial pie - at the expense of smaller school districts such as Sand Point, King Cove and the Aleutians REAA. Also, a number of state legislators have suggested that the state must consolidate school districts because of administrative inefficiency.

Most significantly, these problems affect the Aleutians East region as follows:

- State aid for education in Sand Point has dropped from \$8,800 per student, to \$7,200 per student, and is expected to drop to \$6,100 next year.

- State aid for education in King Cove has dropped from \$9,700 per student, to \$7,800 per student, and is expected to drop to \$6,000 next year.
- State aid for education in the Aleutian REAA has been reduced by \$400,000, and is expected to decrease another \$175,000 next year.
- The Sand Point, King Cove, Unalaska, Aleutians REAA, Pribilof REAA, and other school districts could all be combined into a single school district.
- Last year the State Board of Education proposed a new formula for the distribution of state education dollars. This new formula highly favors organized borough government school districts over city and REAA school districts.
- Finally, there is a lawsuit challenging the present formula which would result in less funds to REAAs and small city school districts.

In short, each of the school districts in the region has and will continue to experience significant decreases in funds. Formation of a borough is one way the region can take to lessen the net effect of these funding decreases and avoid state efforts to force a consolidated school district.

HOW HAVE FEDERAL FUNDS FOR LOCAL USE BEEN AFFECTED?

Over the past several years, the federal government has made substantial cuts in federal expenditures for community water/sewer, airport, highway, and other capital facilities construction projects. They have also made substantial cuts in BIA General Assistance, Indian Health Service, and transfer payment programs that aid individuals in the re-

gion. And they have made attempts to reduce or eliminate federal funds for education associated with the amount of federal land within the area. Finally, they have completely eliminated their federal revenue sharing program that brought over \$1,000,000 in cash to communities in the Aleutians East region in 1985.

WHAT WOULD AN ALEUTIANS EAST BOROUGH GOVERNMENT COST?

An updated financial analysis for an Aleutians East Borough that exercises only the mandatory taxation, education, and planning responsibilities shows the following:

(All Figures in Thousands of Dollars)

	FY 89	FY 90	FY 95
BOROUGH COSTS	\$ 878.2	\$ 850.2	\$ 1050.0
STATE FUNDS - GIVEN TO BOROUGH *	1,325.0	1,225.0	1,015.0
	+5 446.8	+5 365.8	+5 56.1

* Various state program funds and shared revenues such as shared fish tax revenues, revenue sharing, etc.

Projected borough costs would include the following: assembly travel and meetings, mayor salary, planning department, accounting staff, legal expenses and education.

NOTE that the borough would receive more in state funds than it costs to operate the borough government. Some people have suggested these extra funds, as well as other local revenues, could be used to make up the state reductions in funds for badly needed community capital improvements.

If the borough is required to raise additional revenues a sales use tax - **not property taxes** - is the most cost effective way to raise local revenues required to pay for borough operations. It is estimated that a 1% borough sales use tax would generate approximately \$625,000 per year.

HOW WOULD ESTABLISHING A BOROUGH AFFECT LOCAL CONTROL IN EDUCATION, PLANNING, AND EXISTING CITY GOVERNMENTS?

Three of the more important issues facing Aleutians East residents in deciding whether to seek borough incorporation will have to do with local control over education, planning and city government.

Education

Educational services in the Aleutians East area are currently provided by the Sand Point City School District, the King Cove City School District, and the Aleutians REAA (for schools at Akutan, Cold Bay, False Pass, and Nelson Lagoon). Each of these school districts is governed by its own school board composed of members from the respective communities or REAA area. If an Aleutians East Borough were formed, all of these schools would become part of a single Aleutians East Borough School District. This district would be governed by a single school board composed of elected members from the borough.

While this larger school district may not be desired, it should be remembered that it is likely a bill will be introduced in the state legislature to consolidate some of the smaller school districts around the state. If this were done, it is not unlikely that the Sand Point, King Cove, Aleutian REAA, Unalaska, Pribilof REAA and other school districts could be combined into one district. Certainly an Aleutians East Borough School District would be more acceptable to residents of the region.

It should also be noted that it would be possible for the

borough school district to give certain responsibilities to the communities. Powers such as the hiring and firing of teachers and program planning could be contracted back to the local school boards.

Planning

Another function of borough government that many people feel should be locally controlled is planning and land use regulation. Fortunately, state law allows a borough to delegate planning and land use regulatory powers to cities. The four cities in the borough could, therefore, be delegated the responsibilities to adopt, hear, decide and enforce all plans, zoning ordinances, zoning matters, subdivision matters, and codes adopted within their boundaries.

In other communities in the borough, local advisory committees could be established to guide the borough in planning for those areas.

City Government

Four of the six communities in the Aleutians East region have established city governments as a way of obtaining local control. If a borough is established, each of the cities will continue to deliver the services they presently deliver. The sole exception is education services. Thus, the city governments will remain much as they are today.

HOW WOULD A BOROUGH AFFECT NATIVE LANDS/TAXATION?

Federal law provides that undeveloped Native lands cannot be taxed by city or borough governments until 1991 or until 20 years after the corporation has received conveyance from the federal government - whichever comes later. Furthermore, if any undeveloped Native lands are accepted into a federal "land bank," they too cannot be taxed by any local government.

Remember it is also recommended that an Aleutians East borough should not levy any real or personal property taxes because it is not a cost effective way to any required local revenues. Thus, the prospects for property taxation on either private or Native corporation lands would be small if a borough were organized.

HOW WOULD A BOROUGH ASSEMBLY BE COMPOSED?

Any borough organized in the Aleutians East area would have to meet the U.S. Supreme Court's one-man, one-vote decision. This could mean that an Aleutians East Borough would have a 7 person Assembly as follows:

- Nelson Lagoon, False Pass, and Akutan - would elect 1 representative

- Cold Bay - would elect 1 representative

- King Cove - would elect 2 representatives and

- Sand Point - would elect 3 representatives

WHERE WOULD THE BOROUGH SEAT BE LOCATED?

Many people have questioned which community would become the home of the new borough government. This decision is made by the borough assembly by passage of an ordinance. In discussions to date, it appears there is a preference to split the responsibilities of the borough between the different communities. That is, have the borough ad-

ministration located in one community and the school administration located in another community. This is permissible under the law and would divide the economic growth associated with locating a borough in two communities rather than just a single community.

LOCAL/REGIONAL POLITICAL CLOUT - MORE OR LESS?

If the Aleutians East region organized a borough government the area would no doubt find itself with increased political clout. The Anchorage area presently elects over half of the state senators and representatives, and the state must be reapportioned in 1990. Thus, Anchorage and the "railbelt" area will likely increase their hold on the legisla-

ture. As this legislative balance shifts more to Anchorage, areas such as the Aleutians East can expect to get less out of Juneau. The organization of an Aleutians East Borough is one way of trying to counteract such circumstances.

HOW DO WE INCORPORATE (FORM) A BOROUGH GOVERNMENT?

There are a number of petition, hearing and notice procedures that must be followed before a borough can be incorporated by local initiative. The more important considerations are:

- Fifteen percent of the number of residents who voted in the last state general election in the Aleutians East region must sign a petition requesting the State Local Boundary Commission to allow them to form a borough before the Commission will consider allowing residents to vote on the question.
- Public notices/hearings on the question of borough incorporation would be held in the Aleutians East Region before the Commission would decide if it is going to let

people in the region vote on the question.

- If the Commission allows residents to vote on the question of borough incorporation, a majority of those voting on the question in the region must approve it or the incorporation fails.
- If any one community vote against the incorporation of the borough, but a majority of the total voters approve the question, the incorporation is approved and the community that voted against incorporation is still in the borough.

Overall, the process of incorporating a borough will probably take 8 to 14 months.

WHERE DO WE GO FROM HERE?

At the conclusion of the Anchorage Conference it was determined that:

- more up-to-date information should be gathered and examined before a final decision is made on whether the area should try to incorporate an Aleutians East Borough;
- conference participants should meet again early in 1987 (currently scheduled for mid-February) to make a more informed decision on the matter; and
- some officials from the new state administration, legisla-

ture, and the newly formed Northwest Arctic Borough should be invited to the meeting to share their ideas and experience with the region.

Ms. Marjorie Dunaway is organizing a February meeting. If you should desire more detailed information about any subject matter contained in this brochure, please contact her at:

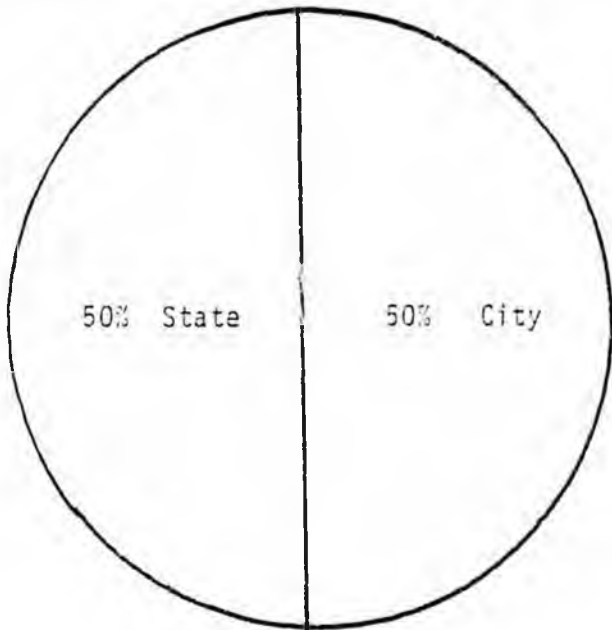
Aleutians East CRSA
P.O. BOX 90
Sand Point, Alaska 99661
Phone (907) 583-2699

The preparation of this report was financed by funds from the State of Alaska administered by the Department of Community and Regional Affairs, Municipal and Regional Assistance Division.

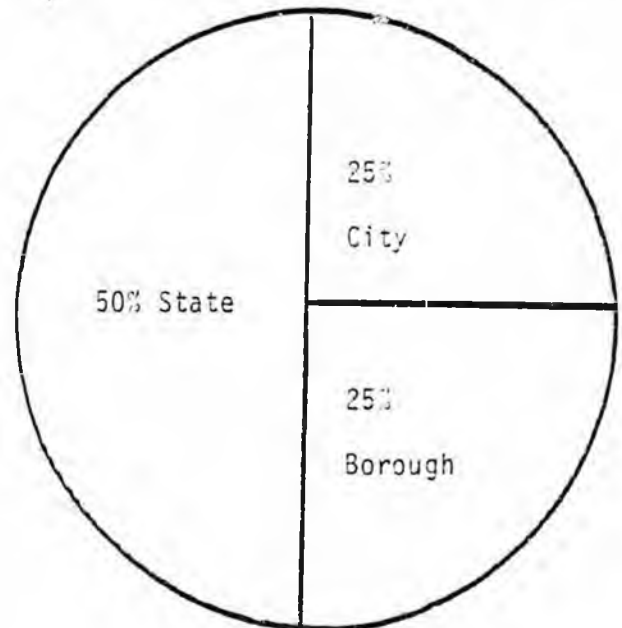
FISH TAX REVENUE

Representative Herrman

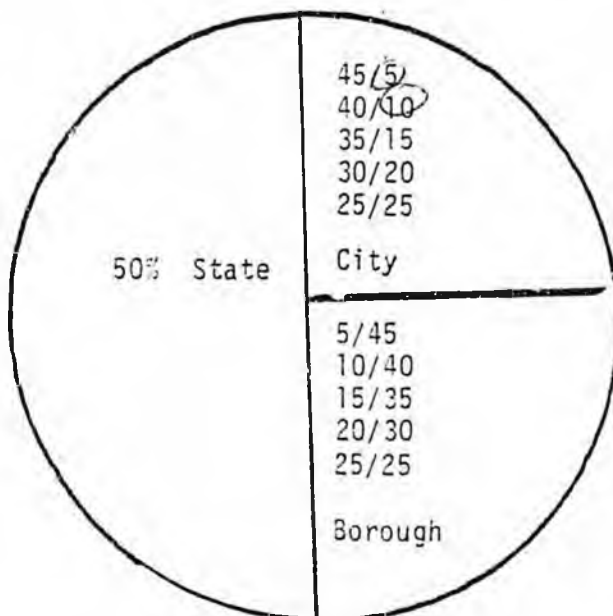
CITIES - under current law the state shares fish tax revenue 50% / 50% with cities



BOROUGH'S - when a Borough is formed, cities are required to share half of their fish tax revenue with the new Borough



HB 226



First year of incorporation: City retains 45% and returns 5% to Borough

First calendar year of Borough: City retains 40% and returns 10% to Borough

Second calendar year of Borough: City retains 35% and returns 15% to Borough

Third Calendar year of Borough: City retains 30% and returns 20% to Borough

Fourth Calendar year of Borough: City retains 25% and returns 25%

Because the cities are giving up a substantial portion of their fish tax revenue to the new Borough organization, HB 226 will help to ease the revenue loss by phasing in revenue payments to the new organization.

This affects only revenues generated within the cities boundaries and does not affect the portion of revenues generated in the new borough boundaries. Those additional revenues will be shared 50% state / 50% Borough

Original sponsor: Herrmann by request

IN THE HOUSE

BY THE RESOURCES COMMITTEE

CS FOR HOUSE BILL NO. 226 (Resources)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIFTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to fisheries business tax refunds to local government; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 43.75.130(a) is amended to read:

(a) Except as provided in (d) of this section, the [THE] commissioner of revenue shall pay

(1) to each unified municipality and to each city located in the unorganized borough, 50 percent of the amount of tax revenue collected in the municipality from taxes levied under [BY] this chapter;

(2) to each city located within a borough, 15 percent of the amount of tax revenue collected in the city from taxes levied under [BY] this chapter; and

(3) to each borough

(A) 50 percent of the amount of tax revenue collected in the area of the borough outside cities from taxes levied under [BY] this chapter; and

(B) 15 percent of the amount of tax revenue collected in cities located within the borough from taxes levied under [BY] this chapter.

* Sec. 2. AS 43.75.130 is amended by adding new subsections to read:

(d) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, the commissioner shall pay

(1) to each city that is located in a borough incorporated after the effective date of this Act the following percentages of the tax revenue collected in the city from taxes levied under this chapter:

(A) 45 percent of the taxes collected during the calendar year in which the borough is incorporated;

(B) 40 percent of the taxes collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 35 percent of the taxes collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 30 percent of the taxes collected during the third calendar year after the calendar year in which the borough is incorporated; and

(2) to each borough that is incorporated after the effective date of this Act the following percentages of the tax revenue collected in the cities located within the borough from taxes levied under this chapter:

(A) 5 percent of the taxes collected during the calendar year in which the borough is incorporated;

(B) 10 percent of the taxes collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 15 percent of the taxes collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 20 percent of the taxes collected during the third calendar year after the calendar year in which the borough is

incorporated.

(e) Notwithstanding the provisions of (d) of this section, a city may adopt an ordinance to transfer a portion of the funds received under (d)(1) of this section to the borough in which the city is located.

* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

CITY OF KING COVE

EE-1-337

P.O. Box 37 • King Cove, Alaska 99612 • (907) 497-2340

February 23, 1987

Honorable Fred Zharoff
Alaska State Senate
Box V
Juneau, Alaska 99811

RE: Request for Fish Tax Legislation to Support Aleutians
East Borough Incorporation

Dear Senator Zharoff:

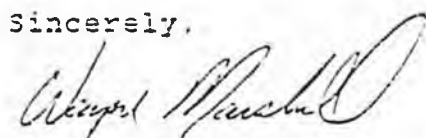
The Aleutians East region requests your support in submitting legislation to enable a phased transition of fish business tax revenues between cities and a borough when an Aleutians East Borough is established. Enclosed is a copy of language prepared by the Department of Community and Regional Affairs that amends the existing statute to allow this phased transition. The region supports this language and recommends it be used in the legislation.


As we have discussed, the regional representatives that met at the February 3 meeting in Anchorage support the phased transition of fish tax revenues to resolve one of the disincentives affecting transition to a borough government. This transition is of particular concern to the Cities of King Cove and Akutan, which would lose a significant amount of their operating revenues from establishment of a borough. We believe this legislation will present opportunities for the cities to gradually adjust to decreased revenues and that it is the best way to ensure the region's residents that the Borough will comply with this phased transfer.

We will also explore opportunities for the Borough to address this phased transition of revenues in its incorporation petition to the Local Boundary Commission. However, we recommend legislation be introduced as the best way to guarantee that this transfer would occur for incorporation of the Aleutians East borough and potential other boroughs.

We hope we can work together to have this legislation submitted and adopted this legislature session.

Sincerely,


Wayne Marshall
City Manager, King Cove


Lamar J. Cotten
City Administrator, Sand Point

Original sponsor: Herrmann by request

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 226 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to fisheries business tax refunds to
7 local government; and providing for an effective
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 43.75.130(a) is amended to read:

11 (a) Except as provided in (d) of this section, the [THE] commis-
12 sioner of revenue shall pay

13 (1) to each unified municipality and to each city located
14 in the unorganized borough, 50 percent of the amount of tax revenue
15 collected in the municipality from taxes levied under [BY] this chap-
16 ter;

17 (2) to each city located within a borough, 25 percent of
18 the amount of tax revenue collected in the city from taxes levied
19 under [BY] this chapter; and

20 (3) to each borough

21 (A) 50 percent of the amount of tax revenue collected
22 in the area of the borough outside cities from taxes levied under
23 [BY] this chapter; and

24 (B) 25 percent of the amount of tax revenue collected
25 in cities located within the borough from taxes levied under [BY]
26 this chapter.

27 * Sec. 2. AS 43.75.130 is amended by adding new subsections to read:

28 (d) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of
29 this section, the commissioner shall pay

(1) to each city that is located in a borough incorporated after the effective date of this Act the following percentages of the tax revenue collected in the city from taxes levied under this chapter:

(A) 45 percent of the taxes collected during the calendar year in which the borough is incorporated;

(B) 40 percent of the taxes collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 35 percent of the taxes collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 30 percent of the taxes collected during the third calendar year after the calendar year in which the borough is incorporated; and

(2) to each borough that is incorporated after the effective date of this Act the following percentages of the tax revenue collected in the cities located within the borough from taxes levied under this chapter:

(A) 5 percent of the taxes collected during the calendar year in which the borough is incorporated;

(B) 10 percent of the taxes collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 15 percent of the taxes collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 20 percent of the taxes collected during the third calendar year after the calendar year in which the borough is

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
841
842
843
844
845
846
847
848
849
850
851
852
853
854
855
856
857
858
859
860
861
862
863
864
865
866
867
868
869
870
871
872
873
874
875
876
877
878
879
880
881
882
883
884
885
886
887
888
889
890
891
892
893
894
895
896
897
898
899
900
901
902
903
904
905
906
907
908
909
910
911
912
913
914
915
916
917
918
919
920
921
922
923
924
925
926
927
928
929
930
931
932
933
934
935
936
937
938
939
940
941
942
943
944
945
946
947
948
949
950
951
952
953
954
955
956
957
958
959
960
961
962
963
964
965
966
967
968
969
970
971
972
973
974
975
976
977
978
979
980
981
982
983
984
985
986
987
988
989
990
991
992
993
994
995
996
997
998
999
1000

(e) Notwithstanding the provisions of (d) of this section, a city may adopt an ordinance to transfer a portion of the funds received under (d)(1) of this section to the borough in which the city is located.

* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

HB

231

HOUSE COMMITTEE REPORT

(9)

Date referred: 3/30/87

FURTHER REFERRALS: Finance

DATE: _____

The Resources Committee has considered HB 231

"An Act relating to the Eagle River Greenbelt land exchange; and providing for an effective date."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Henry Spruiger

Bob Vance

Cliff Davidson

Sam R. GTL

SIGNING OTHER RECOMMENDATIONS:

Sam R. GTL N & K

Sam R. GTL
Chairman's signature



Official Business

COMMITTEE:

HOUSE RESOURCES

DATE: APRIL 9, 1987

SIGN-IN

Subject of meeting:

HB 63 — Board of Fisheries
 HB 231 — Eagle River
 Greenbelt land exchange

NAME	ADDRESS	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
Dale Tubbs	550 W 7th Ave Suite 1350 Anchorage AK 99501	276-5701	Ehlers Inc	Yes.
John Rosapark	224 W Franklin Fairbanks, AK		Alaska Environmental Cabinet	No
ALAN MEINERS	3601 C. ST. SUITE 1058 ANCH. AK. 99510	7629533	DIV. OF PARKS & OUT. REC. DNR.	IF REQUESTED.
Frank Muelle		2400	DNR	
Ch Fennardem	Pouch 6650 Anch 99500	284 4960	Anch (INDA)	yes
Jim Huxeth	PO Box 020754, Anch 99507-0754 Eagle River	364-3540	Self	No, but yes

FINAL EXCHANGE AGREEMENT
ADL 223175
Eklutna, Inc. and State of Alaska
Eagle River Greenbelt

This final exchange agreement for the negotiated exchange of lands is made by and between Eklutna, Inc. (herein referred to as "Eklutna") whose address is 550 West Seventh Ave., Suite 1550, Anchorage, Alaska 99501 and the State of Alaska, Department of Natural Resources (herein referred to as "the state") whose address is P.O. Box 107005, Anchorage, Alaska 99510.

RECITALS

1. This exchange is being made pursuant to AS 38.50 and Section 22(f) of the Alaska Native Claims Settlement Act as amended (43 USC § 1621(f)) and other authority.
2. The Commissioner of Natural Resources is authorized to exchange state land pursuant to AS 38.50 and 11 AAC 67.200-.280, subject to the requirement for legislative approval under AS 38.50.140.
3. The President of Eklutna has been authorized by resolution of the Board of Directors #1986-A dated August 12, 1986 to enter into this agreement.
4. The Commissioner of Natural Resources has found that the requirements of AS 38.50 and 11 AAC 67.200-.280 have been satisfied. The Commissioner has found in a written best interest finding dated March 6, 1987, that this exchange, as proposed in the Preliminary Exchange Agreement dated August 13, 1986, and as modified by Addendum #1 to the Preliminary Exchange Agreement dated January 16, 1987, best serves the interests of the state by furthering the goals of Chugach State Park as stated in AS 41.21.121.
5. The Commissioner has found that this exchange is consistent with the Alaska Coastal Management Program.

AGREEMENT

The parties hereby agree as follows:

6. Conveyance by Eklutna.
 - a. Eklutna will convey the surface estate, subject to reservations and exceptions contained in the patents, the land described in Attachment A containing approximately 3558 acres. This land was acquired by Eklutna by United States Patents 50-79-0094, 50-79-0149, and 50-74-0164.

- b. Eklutna will grant the state an option to acquire the surface estate in the land described below for the values shown. The option must be exercised in writing by the state before May 1, 1988; provided, however, that if sufficient funds in Capital Improvement Project account number 39454 are made available before July 1, 1987, the state must exercise its option before August 1, 1987.

Subunit No. 3, \$220,000

T14N, R1W, S.M. Section 19: That portion of N1/2NE1/4 and NE1/4NW1/4 lying south of the north boundary of the 17(b)(3) easement (EIN 1 D9). Containing approximately 94 acres.

Subunit No. 4, \$110,000

T14N, R1W, S.M. Section 20: That portion of NE1/4NW1/4 and NW1/4NE1/4 lying south of the north boundary of the 17(b)(3) easement (EIN 1 D9) and north of the unimproved dirt road lying approximately 600 feet south and generally paralleling the said 17(b)(3) easement (EIN 1 D9). Containing approximately 28 acres.

7. Conveyance by the state.

The state will convey Lot 1A, Block 112A, Anchorage Original Townsite, as shown on plat 84-375 filed in the Anchorage Recording Office on October 16, 1984 subject to the mineral reservation described in AS 38.05.125; containing approximately 4.39 acres. The state has closed these lands to mineral entry effective November 28, 1986. These lands were acquired by the state under the following actions:

OSL 771	Lot 1, Blk 112	C.A. No. 3AN-82-09440
OSL 772	Lot 2, Blk 112	C.A. No. 3AN-82-09410
OSL 773	Lot 3, Blk 112	C.A. No. 3AN-82-09439
OSL 774	Lot 4-A, Blk 112	C.A. No. 3AN-82-09404
OSL 775	Lots 7, 8, 9, 10, 11 & 12, Blk 112	C.A. No. 3AN-82-09405
OSL 776	Lots 1A & 2C, Blk 113	C.A. No. 3AN-82-09409
OSL 777	Lot 3, W1/2 Lot 2, E1/2 Lot 4, Blk 113	C.A. No. 3AN-82-09753
OSL 778	Lot 5, W1/2 Lot 4, Blk 113	C.A. No. 3AN-82-09438
OSL 779	Lot 6, Blk 113	C.A. No. 3AN-82-09752
OSL 780	Lot 7, Blk 113	C.A. No. 3AN-82-09408
OSL 781	Lots 8, 11 & South 95' of Lot 12, Blk 113	C.A. No. 3AN-82-09407
OSL 782	Lots 9 & 10, Blk 113	Warranty Deed dated 11/15/82 Anchorage Recording Office Book 313, Pg 0342

Final Exchange Agreement
ACL 223175
Eklutna, Inc. and State of Alaska
Eagle River Greenbelt
Page Three

OSL 783 North 45' of Lot 12, Blk 113
Vacation of streets and alleys through
resubdivision

C.A. No. 3AN-82-09406
Plat 84-375

8. Reservations and third party interests on the surface estate to be conveyed by Eklutna.

The reservations and third party interests on the surface estate (including subunits No. 3 & 4) to be conveyed by Eklutna are described in Attachment B.

9. Reservations and third party interests on land to be conveyed by the state.

The state will reserve only those interests required by 38.05.125 and the plat of survey 84-375. There are no third party interests in the land.

10. Equalization of values.

The appraised fair market value of the land offered by Eklutna identified in Attachment A is \$8,773,300.

The appraised fair market value of the land offered by the state identified above is \$8,600,000.

The state will pay the difference in value of \$173,300 in cash to Eklutna within 30 days of the effective date of the legislative act approving this exchange.

11. Survey.

The state will pay the cost of surveying the land it is to acquire from Eklutna to the extent required for the transfer of legal title. The land to be acquired by Eklutna requires no additional survey.

12. Future Encumbrances.

Each party agrees not to encumber the lands proposed to be exchanged or conveyed to the other party under this agreement and not to alter substantially the physical condition of the lands proposed to be exchanged or conveyed except to the extent required by law or upon the written consent of the other party.

13. Transfer of Management Rights and Equitable Title.

The parties agree that upon the effective date of legislation approving this exchange, equitable title in the lands to be conveyed by the state will be deemed to vest in Eklutna and Eklutna will thereafter have possession and management responsibilities for the lands. Similarly, upon the effective date of legislation approving this exchange, equitable title in the lands to be conveyed by Eklutna will be deemed to vest in the state and the state will thereafter have possession and management responsibilities for those lands.

From and after the effective date of legislation approving the exchange, Eklutna, Inc. shall defend and save the state harmless from any and all claims for damages or cause of action at law or in equity, real or supposed, mature or immature, that arise upon or in connection with the land to which Eklutna, Inc. receives possessory rights; provided, however, that the state will retain sole responsibility for the structures presently located on the land which will be removed prior to July 1, 1987.

From and after the effective date of legislation approving the exchange, the state shall defend and save Eklutna, Inc. harmless from any and all claims for damages or cause of action at law or in equity, real or supposed, mature or immature, that arise upon or in connection with the land to which the state receives possessory rights; provided, however, that Eklutna will retain sole responsibility for the adjudication and resolution of any claims concerning the land made pursuant to section 14(c) of the Alaska Native Claims Settlement Act, 43 USC § 1613(c).

14. Exchange of Deeds.

No later than thirty days after the Department of Natural Resources notifies Eklutna that all surveys necessary for the conveyance of legal title have been completed, each party will deliver to the other a draft quitclaim deed proposed to be executed to implement this exchange. Within ten days thereafter, each party will review the draft deed and notify the other of any objections to the proposed form of the deed. As soon as practicable after any objections have been resolved to the mutual satisfaction of the parties, the final deeds necessary to implement this exchange will be executed and delivered. Concurrent with the exchange of deeds, title insurance in the amount of \$8,600,000.00 acceptable to Eklutna will be provided to Eklutna for the land it is to receive. The costs of the title insurance will be paid by the state.

15. Effective Date.

This agreement shall become effective upon its execution by both parties, and its effective date shall be the date upon which the last party signs the agreement, but performance of the obligations of paragraphs 6, 7, 13 and 14 of this agreement are expressly conditioned upon the enactment of legislation by the Alaska legislature approving and ratifying this agreement.

16. Cancellation.

In the event that legislation by the Alaska legislature approving and ratifying this agreement is not enacted prior to July 1, 1987, then either party may cancel this agreement upon thirty days written notice to the other party.

17. Amendments.

Any amendment, modification, or supplementation of this agreement must be in writing and signed by both parties. Further, any amendment, modification, or supplementation that materially amends the amount or value of the interests exchanged will be subject to approval by the Alaska legislature.

18. Waiver.

Neither party will be deemed to have waived any right, term, or condition of this agreement unless the waiver is in writing and signed by an authorized official of the party. Any failure of either party to object to or to seek a remedy of any violation by the other party of any provision of this agreement shall not be deemed a waiver of or an estoppel against any future right to object to or to seek a remedy of a subsequent violation, whether the later violation is of the same or another provision.

19. Notices.

Any notices, demands, or other communications under this agreement shall be in writing, and shall be deemed given if delivered in person or sent through the United States Postal Service by registered or certified mail as follows:

- a. if to Eklutna: Eklutna, Inc.
550 West 7th Avenue
Suite 1550
Anchorage, Alaska 99501

Final Exchange Agreement
ADL 223175

Eklutna, Inc. and State of Alaska
Eagle River Greenbelt
Page Six

b. if to the state: Director
 Alaska Division of Land and Water Management
 P.O. Box 107005
 Anchorage, Alaska 99510

20. Interpretation.

- a. This agreement will be constructed and enforced in accordance with and governed by the laws of the State of Alaska.
- b. Both Eklutna and the state are jointly and equally responsible for the drafting of this agreement and consequently, an ambiguity, if any, may not be construed against one party or the other as its drafter. This agreement will be construed independently of any draft documents.
- c. The captions used in this agreement are for convenience only and will not control or affect the meaning or construction of any of its provisions.
- d. This agreement incorporates Attachments A and B which are referred to herein.
- e. This agreement contains the entire agreement and understanding of the parties with respect to its subject matter. Any oral representations made by either party during the negotiations of this agreement which are not incorporated by writing into this agreement are not binding.
- f. The terms of this agreement shall be binding upon and inure to the benefit of, and be enforceable by, the representatives and successors of the parties.
- g. Any lawsuit arising out of or related in any way to this agreement must be brought in Anchorage, Alaska. The parties waive any objections to venue being located in Anchorage, Alaska.

Final Exchange Agreement
ADL 2231.
Eklutna, Inc. and State of Alaska
Eagle River Greenbelt
Page Seven

h. If any legal action or other proceeding is brought for the enforcement of this agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this agreement, the prevailing party or parties shall be entitled to recover reasonable attorneys' fees, at trial and upon appeal, in addition to any relief to which it or they may be entitled.

STATE OF ALASKA

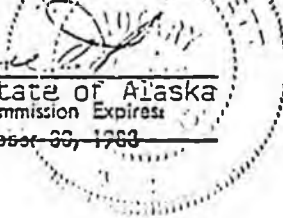
J. M. Brady
for Judith M. Brady, Commissioner

MARCH 6, 1987
Date

STATE OF ALASKA)
) ss.
Third Judicial District)

THIS IS TO CERTIFY that on this 6th day of March, 1987, before me appeared Richard Lefebvre of the Department of Natural Resources of the State of Alaska, who executed the foregoing Final Exchange Agreement and acknowledged voluntarily signing the same.

Richard Lefebvre
Notary Public in and for the State of Alaska
My Commission Expires: October 30, 1988



Final Exchange Agreement
ADL 223175
Eklutna, Inc. and State of Alaska
Eagle River Greenbelt
Page Eight

EKLUTNA, INC.

A. Debbie Fullenwider
A. Debbie Fullenwider, President

March 6, 1987
Date

STATE OF ALASKA)
3rd) ss.
Judicial District)

THIS IS TO CERTIFY that on this 6th day of March, 1987, before me appeared A. Debbie Fullenwider to me known and known to me to be the person named in and who executed the document and acknowledged voluntarily signing the same.

Dale P. Tubbs
Notary Public in and for the State of Alaska
My Commission Expires: 1-28-91

Lee Stephan
Lee Stephan, Vice President

March 6, 1987
Date

STATE OF ALASKA)
3rd) ss.
Judicial District)

THIS IS TO CERTIFY that on this 6th day of March, 1987, before me appeared Lee Stephan to me known and known to me to be the person named in and who executed the document and acknowledged voluntarily signing the same.

Dale P. Tubbs
Notary Public in and for the State of Alaska
My Commission Expires: 1-28-91

ATTACHMENT A

Eklutna lands to be acquired by the State as shown on map (Exhibit A and Exhibit D) and described as follows:

T14N, R2W, S.M.

Section 13: Tract 1-3 Eagleridge Subdivision Phase B as shown on plat 83-252 filled in Anchorage Recording District on July 13, 1983; Tract A-1, proposed Somerset Terrace Estates (now redesignated as Tract D, Dena'ina Estates Subdivision Preliminary). Included in this parcel is the portion of the proposed Eagle River Road bridge crossing site, DOT/PF project numbers A84381/53121 (parcel 27C as shown in Exhibit C). Including the bed of Eagle River.

T14N, R1W, S.M.

Section 16: That portion of the S¹/₂S¹/₂W¹/₂ excluding the uplands bounded by the left bank of Eagle River and the right bank of the South Fork of Eagle River. Including the bed of Eagle River and tributaries.

Section 17: All land upland of the right bank of Eagle River to a line being 12.5 feet northerly and parallel to a line brushed and flagged for a trail centerline as shown on Exhibit B-1, to be platted with the boundary survey, and all land upland of the left bank of Eagle River. Including the bed of Eagle River.

Section 18: All that part of Tract 1-C Parkview Terrace East Subdivision Tracts 1-A, 1-B and 1-C as shown on plat 86-120 recorded in Anchorage Recording District on July 15, 1986, lying south of Tract E and Tract 2 of Parkview Terrace Subdivision, as shown on plat 35-158, and its intersection with a line being 12.5 feet northerly and parallel to a trail centerline shown on Exhibit B-2, to be platted with the boundary survey, excluding that portion south of the north boundary of the 17(b)(3) easement (EIN 1 D9). Included in the above description is the proposed Eagle River Road bridge crossing site, DOT/PF project numbers A84381/53121 (parcel 27C as shown in Exhibit C). Including the bed of Eagle River.

Section 19: All land within that portion of GLO Lot 1, N $\frac{1}{2}$ NE $\frac{1}{4}$ and NE $\frac{1}{4}$ NW $\frac{1}{4}$ lying north of the north boundary of the 17(b)(3) easement (EIN 1 D9). Including the bed of Eagle River.

Section 20: All land within the NW $\frac{1}{4}$ NE $\frac{1}{4}$ and N $\frac{1}{2}$ NW $\frac{1}{4}$ lying north of the north boundary of the 17(b)(3) easement (EIN 1 D9); E $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ that portion within 200 feet of the left bank of the South Fork of Eagle River. Including the bed of Eagle River.

Section 21: NE $\frac{1}{4}$; that portion of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ lying north of the north boundary of the 17(b)(3) easement (EIN 1 D9); that portion of the N $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ lying north of the north boundary of the 17(b)(3) easement (EIN 1 D9); the NW $\frac{1}{4}$ excluding the following two metes and bounds parcels:

Parcel 1

Commencing at the NW corner of Section 21; thence East along the North line of said Section 21, 440.00 feet more or less to the thread of the South Fork of Eagle River the true point of beginning; thence East along the North section line of Section 21 to the point of intersection with the line of ordinary high water on the left bank of Eagle River; thence in a southeasterly direction along the line of ordinary high water of the left bank of Eagle River, 1,575 feet more or less to a point lying 1,615 feet East of the West line of Section 21; thence South on a line parallel to and 1,615 feet easterly of the West line of Section 21, 494.48 feet; thence S 54° 51'30" E, 802.76 feet; thence South, 350.00 feet; thence S 36° 17' E, 624.27 feet more or less to a point on the North-South Center of Section 21 line; thence South along said line 220.04 feet more or less to the Center corner; thence West along the East-West centerline of Section 21, 2,090.00 feet to the thread of the South Fork of Eagle River; thence in a northwesterly direction following the bends and turns of said thread, 2,688 feet more or less to a point on the westerly line of Section 21; thence North along said Section line 131.06 feet more or

less to the intersection of the thread of said stream which is approximately South 395.28 feet from the Northwest corner of Section 21; thence in a northeasterly direction along the thread of the South Fork of Eagle River, 778 feet more or less to the true point of beginning and containing 96 acres more or less.

Parcel 2

That portion of the SW $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ lying westerly of a line located 200 feet west of the left bank of the South Fork of Eagle River containing 5 acres more or less.

Including the bed of Eagle River.

Section 22: That portion of land within the S $\frac{1}{2}$ excluding that portion south of the north boundary of the 17(b)(3) easement (EIN 1 D9).

Including the bed of Eagle River.

Section 23: S $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ all land south of the Eagle River Road right-of-way; and that portion of land described as follows: Bearing from the C-N-SW1/64 approximately S55° 20'E for approximately 3,215 feet to a point 150 feet north of the E1/16 corner common to Sections 23 and 26 excluding those lands northeast of the above mentioned line. Including the bed of Eagle River.

Section 24: All land south of the south boundary of the Eagle River Road right-of-way.

Section 25: That portion of land lying southerly and westerly of the following described boundary: Beginning at a corner common to Section 25, 30, 31 and 36; thence north approximately 1,450 feet along the section line common to Sections 25 and 30 to a point; then west approximately 1,530 feet to a point; then northwest approximately N48° W for 1,200 feet to a point; then northwest approximately N80° W 500 feet to a point; thence northeast approximately N47° E 600 feet to a point that intersects the Eagle River Road right-of-way; then northwest along the south boundary of the Eagle River Road right-of-way to the section line common to Sections 24 and 25. Including the bed of Eagle River.

Section 26: All lands within N½, E½SE½, NE½SE½SW½SE½, NE½SW½SE½, N½NW½SW½SE½, NW½SE½, E½NE½SW½, NE½SW½NE½SW½, NW½NE½SW½, E½NE½NW½SW½, NW½NE½NW½SW½, and NE½NW½NW½SW½. Including the bed of Eagle River.

Section 27: N½NE½, N½SE½NE½, N½S½SE½NE½, SE½SE½SE½NE½, NE½SW½NE½, N½NW½SW½NE½, N½NE½NW½, E½SE½NE½NW½, NW½SE½NE½NW½, NE½SW½NE½NW½, NE½NE½NW½NW½ all land north of the north boundary of the 17(b)(3) easement (EIN 1 D9).

Section 35: NE½NE½NE½, NE½NW½NE½NE½.

Section 36: That portion of land within NE½, N½NE½SE½, SE½NE½SE½, N½SW½NE½SE½, N½NE½SE½SE½, SE½NE½SE½SE½, NE½NW½SE½, NE½NW½NW½SE½, N½SE½SE½NW½, NE½SE½NW½, E½NW½SE½NW½, NW½NW½SE½NW½, NE½NW½, N½NE½SW½NW½, E½NW½NW½, SE½SW½NW½NW½, N½SW½NW½NW½, and NW½NW½NW½. Including the bed of Eagle River.

T14N, R1E, S.M.

Section 30: All lands south of the Eagle River Road right-of-way.
Including the bed of Eagle River and braided channels.

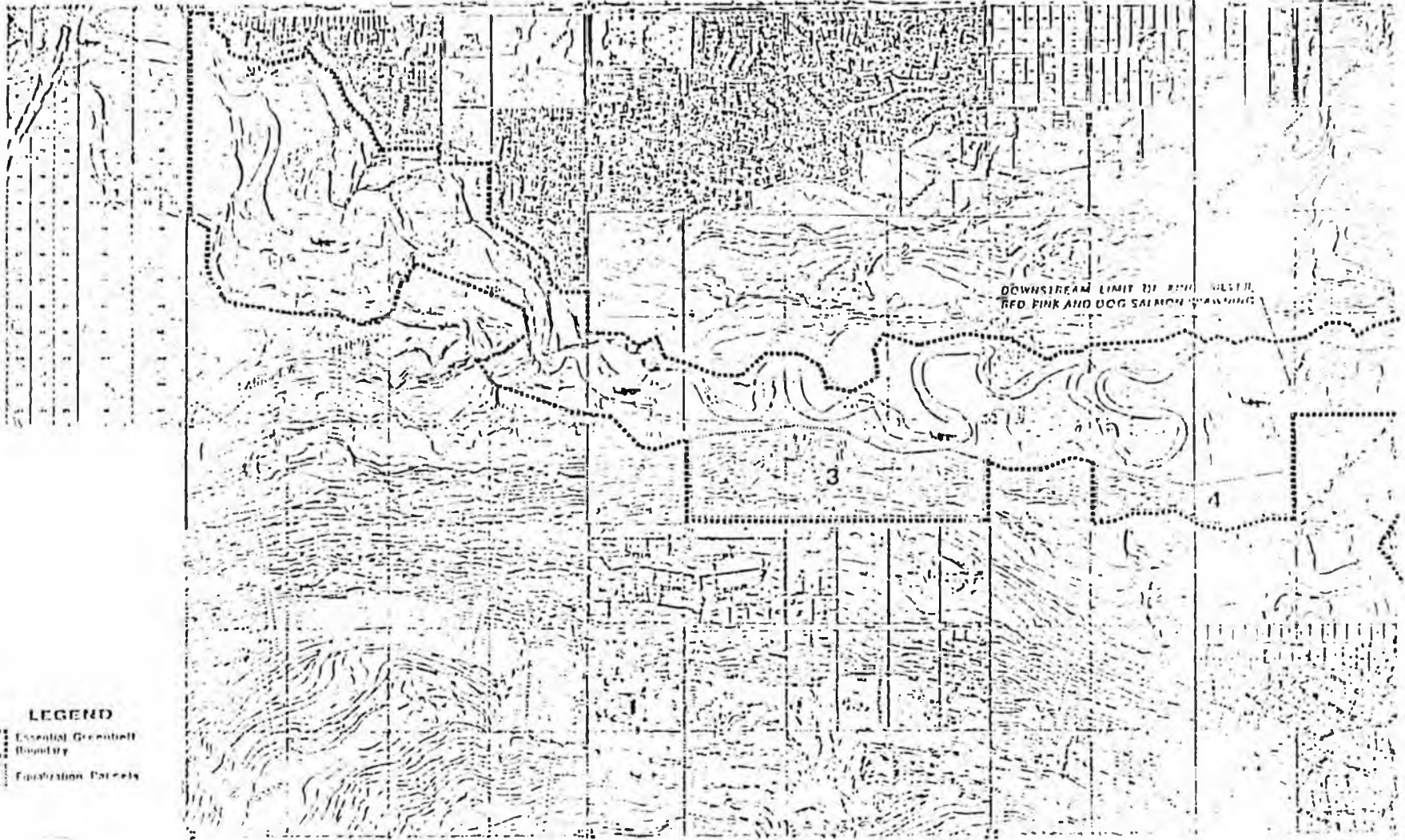
Section 31: That portion of land within the E $\frac{1}{2}$ excluding those lands
northeast of the south boundary of the Eagle River Road right-of-way;
E $\frac{1}{2}$ W $\frac{1}{2}$, and GLO Lots 1, 2, 3 and 5. Including the bed of Eagle River and
braided channels,

Section 32: Lands described as follows: Beginning at a corner common to
Sections 31 and 32, T14N, R1E, Sections 5 and 6, T13N, R1E; thence north
90° E approximately 1,330 feet along the section line to a point; then
northwest approximately N33° W 1640 feet to a point; then northeast
approximately N8° E for 440 feet to a point; then northwest approximately
N63° W° for 550 feet to a point on the section line common to Sections 31
and 32 then south along the section line common to Sections 31 and 32 to
the point of beginning.

T16N, R1W, S.M.

Section 25: Tract B, Thunderbird Heights Subdivision as shown on plat
77-226 filed in the Anchorage Recording District on October 10, 1977, as
shown on Exhibit D. Containing approximately 1.09 acres.

The total lands described above contain approximately 3,558 acres.



DOWNSTREAM LIMIT OF KING, SILVER, RED, PINK AND DOG SALMON SPAWNING

3

4

LEGEND

- Essential Greenbelt Boundary
- Easement Parcels

ASSOCIATION

- Moose Preferred Habitat
- Downstream Limit of King, Silver, Red, Pink and Dog Salmon Spawning as Indicated on Map
- Upstream Limit of Salmon Spawning as Indicated on Map

KEY



EKLUTNA INC. LAND

(The state proposes to acquire options to purchase subunits 3 & 4)

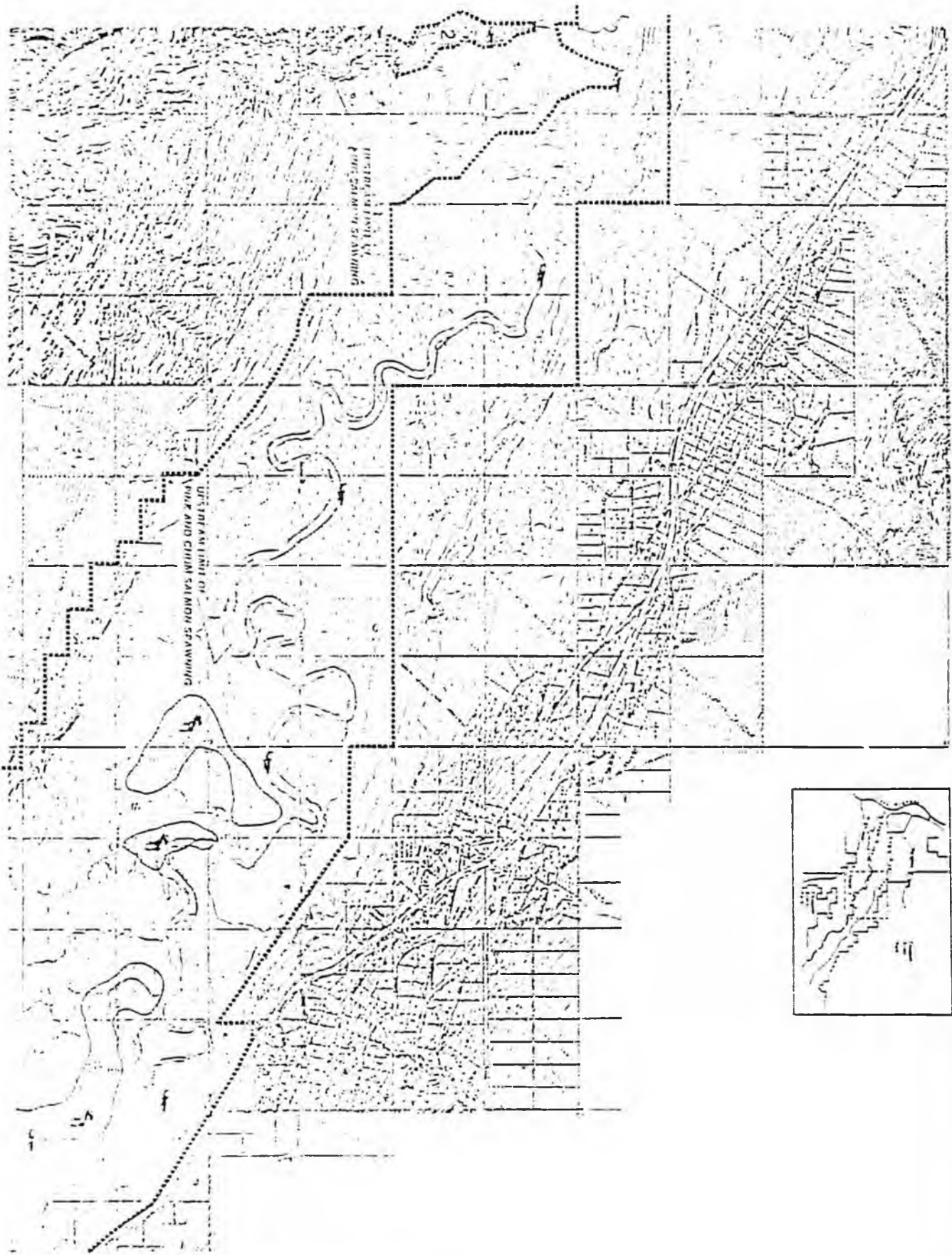
EXHIBIT A



SAGLE RIVER
EASMENT

WINDIFFE JOHNSON

A-2



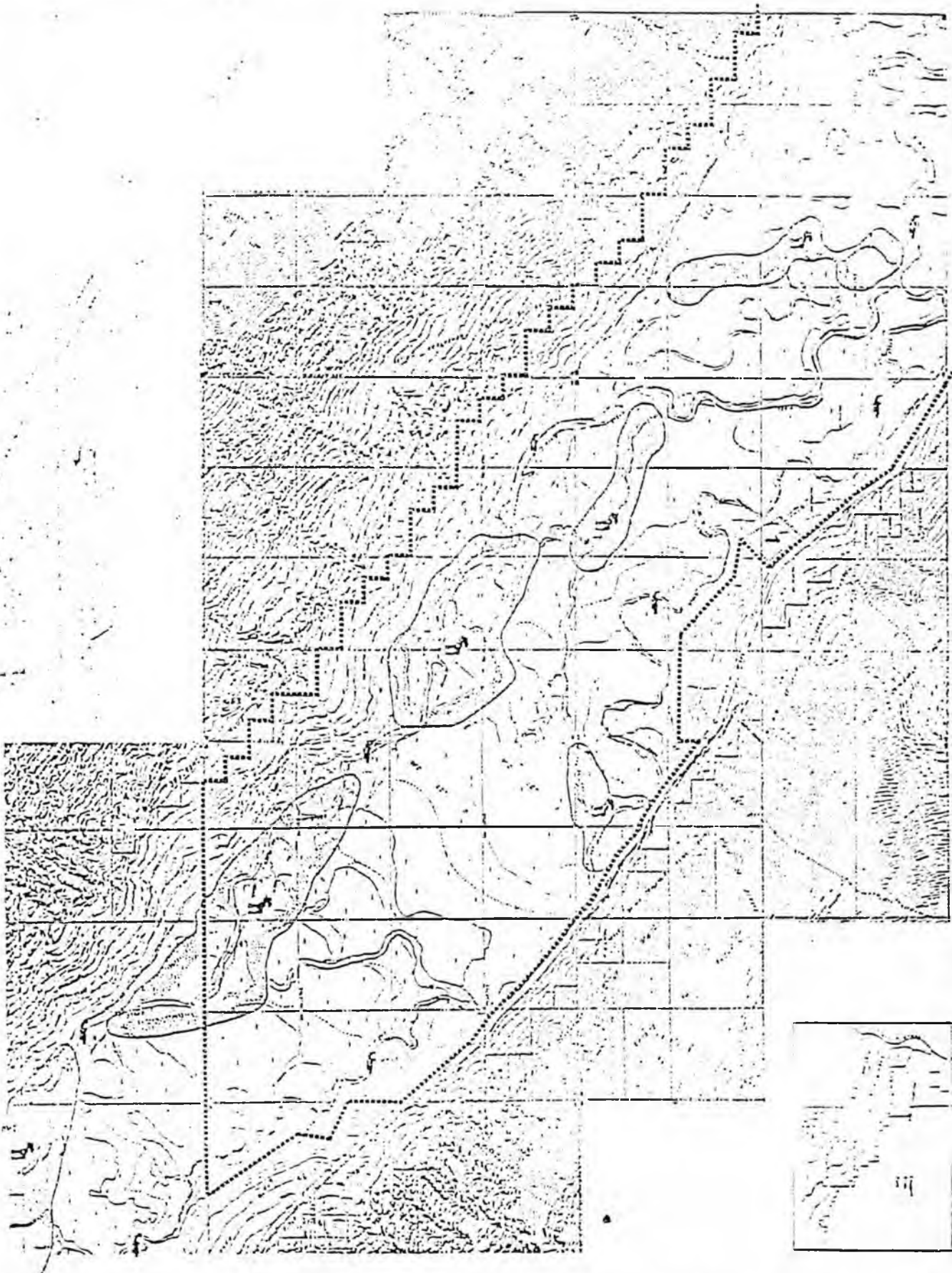
2

Wildlife Habitat
Map J

EAGLE RIVER
GREENBELT PLAN

TRAFAC
ARCHITECTURE ENGINEERING PLANNING INTERIORS
1000 10TH AVENUE, SUITE 1000, DENVER, CO 80202

A-3



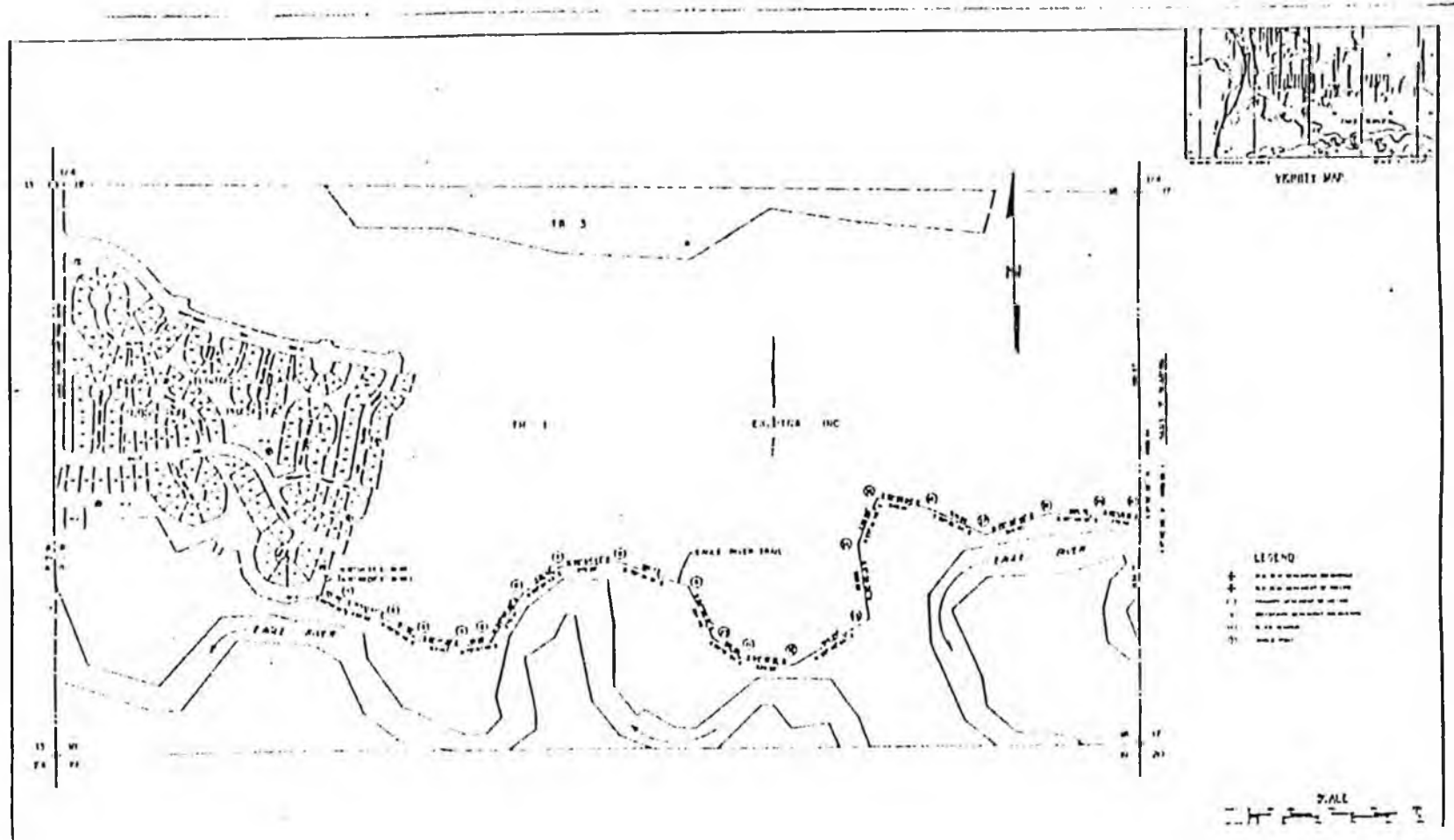
3


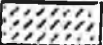
Wildlife Habitat
Map 1

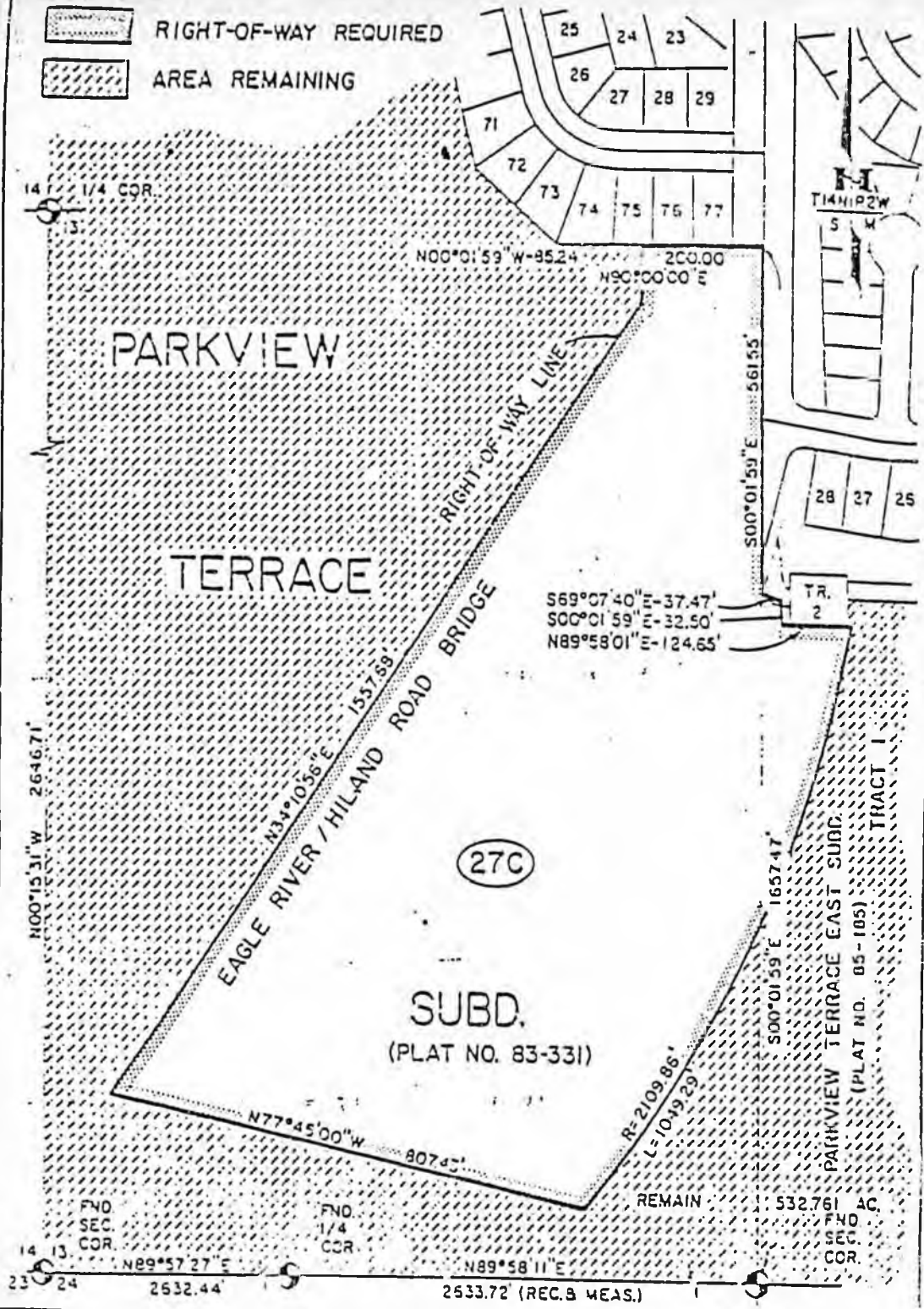
EAGLE RIVER
GREENBELT PLAN

TRAVELER
ARCHITECTURE ENGINEERING PLANNING INTERIORS
27 E. MINNAPOLIS, MINNAPOLIS, MN 55401

MAR 1998



 RIGHT-OF-WAY REQUIRED
 AREA REMAINING



EKLUENA, INC. By: _____ _____ _____ _____ Signature _____ Date _____		STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES MAP SHOWING RIGHT OF WAY REQUIRED FOR EAGLE RIVER/HILAND ROAD BRIDGE
Attached to: <u>Easement</u> Dated _____ Page <u>3</u> of <u>7</u>		CENTRAL REGION Area <u>21.6389 AC.</u> Scale <u>1" = 200'</u> Project No <u>53121</u> EEP Date <u>122795</u> Page No <u>27C</u>



STATEMENT OF WORK AND LEGAL OPINION
 I, the undersigned, a duly licensed Professional Engineer in the State of Wisconsin, have examined the plans and specifications for the proposed project and have found them to conform to the requirements of the applicable laws and regulations of the State of Wisconsin.

NOTARY ACKNOWLEDGMENT
 I, the undersigned, a Notary Public in and for the State of Wisconsin, do hereby certify that the above-named person is a duly licensed Professional Engineer in the State of Wisconsin.

NOTARY ACKNOWLEDGMENT
 I, the undersigned, a Notary Public in and for the State of Wisconsin, do hereby certify that the above-named person is a duly licensed Professional Engineer in the State of Wisconsin.

PREPARED BY
 E. M. Hill
 Professional Engineer
 License No. 10,311
 State of Wisconsin

ACCEPTANCE OF DEPOSITION
 I, the undersigned, a Notary Public in and for the State of Wisconsin, do hereby certify that the above-named person is a duly licensed Professional Engineer in the State of Wisconsin.

NOT APPROVAL
 I, the undersigned, a Notary Public in and for the State of Wisconsin, do hereby certify that the above-named person is a duly licensed Professional Engineer in the State of Wisconsin.

WCSA - 477
 Wisconsin Civil Service Association

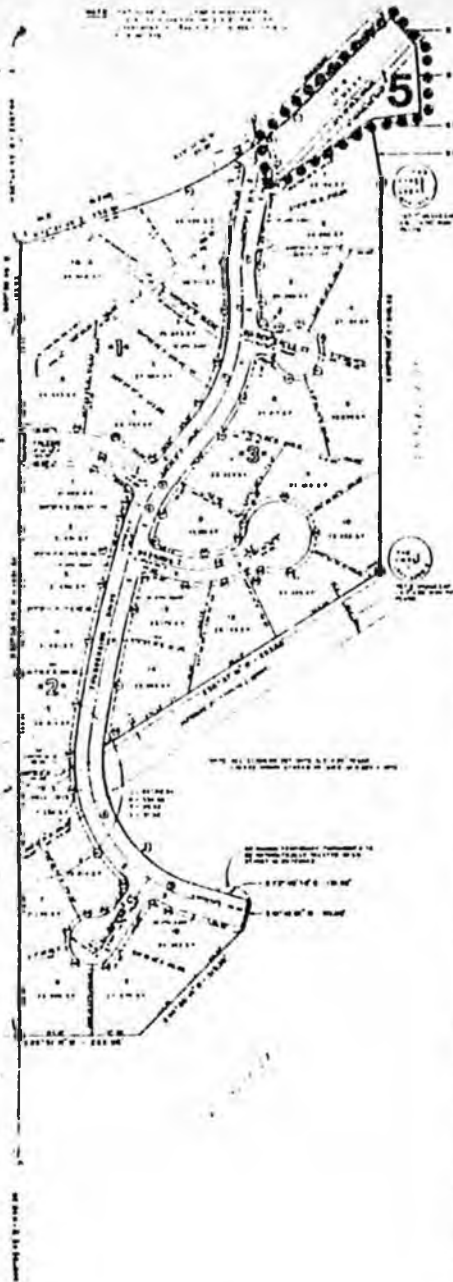
ENGINEERING REPORT SUBMISSION

HUMPHREYS & ASSOCIATES, INC.
 Engineering - Planning - Surveying
 1000 W. Wisconsin Ave., Suite 200
 Milwaukee, WI 53233

E. M. Hill

EKLUTNA INC. LAND:
 Thunderbird Falls
 parking lot

EXHIBIT D



CURVE SCHEDULE

NO.	BEARS	CHANGING	LENGTH	STATION
1	100.00	100.00	100.00	100.00
2	100.00	100.00	100.00	100.00
3	100.00	100.00	100.00	100.00
4	100.00	100.00	100.00	100.00
5	100.00	100.00	100.00	100.00
6	100.00	100.00	100.00	100.00
7	100.00	100.00	100.00	100.00
8	100.00	100.00	100.00	100.00
9	100.00	100.00	100.00	100.00
10	100.00	100.00	100.00	100.00
11	100.00	100.00	100.00	100.00
12	100.00	100.00	100.00	100.00
13	100.00	100.00	100.00	100.00
14	100.00	100.00	100.00	100.00
15	100.00	100.00	100.00	100.00
16	100.00	100.00	100.00	100.00
17	100.00	100.00	100.00	100.00
18	100.00	100.00	100.00	100.00
19	100.00	100.00	100.00	100.00
20	100.00	100.00	100.00	100.00
21	100.00	100.00	100.00	100.00
22	100.00	100.00	100.00	100.00
23	100.00	100.00	100.00	100.00
24	100.00	100.00	100.00	100.00
25	100.00	100.00	100.00	100.00
26	100.00	100.00	100.00	100.00
27	100.00	100.00	100.00	100.00
28	100.00	100.00	100.00	100.00
29	100.00	100.00	100.00	100.00
30	100.00	100.00	100.00	100.00
31	100.00	100.00	100.00	100.00
32	100.00	100.00	100.00	100.00
33	100.00	100.00	100.00	100.00
34	100.00	100.00	100.00	100.00
35	100.00	100.00	100.00	100.00
36	100.00	100.00	100.00	100.00
37	100.00	100.00	100.00	100.00
38	100.00	100.00	100.00	100.00
39	100.00	100.00	100.00	100.00
40	100.00	100.00	100.00	100.00
41	100.00	100.00	100.00	100.00
42	100.00	100.00	100.00	100.00
43	100.00	100.00	100.00	100.00
44	100.00	100.00	100.00	100.00
45	100.00	100.00	100.00	100.00
46	100.00	100.00	100.00	100.00
47	100.00	100.00	100.00	100.00
48	100.00	100.00	100.00	100.00
49	100.00	100.00	100.00	100.00
50	100.00	100.00	100.00	100.00

22-226
 Attached
 10/10/11
 E. M. Hill

A T T A C H M E N T B

DOCUMENTED ENCUMBRANCES OF RECORD

Eklutna File #

- R/W #31 1. Easement to DOT&PF for Eagle River bridge crossing. Variable length and width. 21.6389 acres. DOT&PF project file A8438/53121.
- R/W #33 2. Easement to Matanuska Electric Assn., Inc. for a transmission and distribution line. Parallels section line in Section 13, T14N,R2W,S.M. 15 feet on each side of pole centerline. Lies partially within R/W #31.
- R/W #35 3. Easement reserved to Eklutna, Inc. for a sewer and waterline crossing. 40 feet wide. This line is not built. It is involved in Corps of Engineer permit #071-0YD-4-860429. Most of this alignment lies within Eklutna, Inc. R/W #31.

R/W #26

4. Letter of Entry to ripen into a 10-foot wide permanent easement for a natural gas pipeline for ENSTAR Natural Gas Company.
5. Letter of Entry to DOT&PF to do soil investigation work for the proposed Hiland Road/Eagle River road project.
6. Plat restrictions pertaining to use of lands within Tract A-1 for Somerset Terrace Estates (Preliminary) now redesignated as Tract D, Dena'ina Estates (Preliminary/final).
7. Plat restrictions pertaining to use of lands within Tract 1-B for Eagleridge Subdivision - Phase B per plat #83-252.
8. Plat restrictions pertaining to use of land within Tract 1-C, Parkview Terrace East Subdivision Tracts 1-A, 1-B, 1-C per plat #86-120. This area was formally platted as Tract 1 per plat #85-158.

R/W #39&40 9. EIN 61 (BLM File #AA25016). This is a 100-foot wide electric transmission easement extending easterly from Section 19, T14N,R1W,S.M. to Section 16, T14N,R1W,S.M. This powerline is often referred to as the Briggs Transmission line.

R/W #13 10. A 30-foot wide (15 feet each side of centerline) electric distribution line for Matanuska Electric Assn., Inc. within the S2NW4 of Section 21, T14N,R1W,S.M. The east-west leg of this line lies within the 100-foot wide easement identified as EIN 61.

11. EIN 1. A 60-foot wide easement for the Lower Eagle River Trail shown on the U.S.G.S. Quadrangle Map. This road extends from Section 24, T14N,R2W,S.M. easterly and southeasterly through Section 31, T14N,R1E,S.M.

12. EIN 59. A 60-foot wide easement for old Eagle River Road on the north side of the river. This old road is separate from the existing Eagle River Road that is upgraded and maintained by DOT&PF.

13. A right-of-way A-046425, twenty-five (25) feet each side of the centerline located in Sections 23,24,25, T14N,R1W,S.M. and Sections 30,31,32, T14N,R1E,S.M. for an electric distribution line for the Matanuska Electric Association, Inc. This powerline parallels the Eagle River Road and in many instances lies within the road right-of-way.

14. An electric powerline easement 30 feet wide identified by BLM casefile number A015987 traversing Tract B, Block 3, Thunderbird Heights Subdivision, Plat # 77-226 filed in Anchorage Recording District.

15. A 50 foot right-of-way for an existing trail from the Old Glenn Highway to lands patented to the State of Alaska to provide access to Thunderbird Falls. The right-of-way traverses Tract B, Block 3, Thunderbird Heights Subdivision, Plat # 77-226 filed in Anchorage Recording District.

UNDOCUMENTED OR UNAUTHORIZED ENCUMBRANCES

1. The Eklund homestead litigation (A79-336 Civil) and Carr homestead litigation (A79-336 Civil) are within Section 32, T14N,R1E,S.M. These are homestead claims that were denied to the applicants by the Bureau of Land Management. The plaintiffs have lost in the District Court. The 9th Circuit Court affirmed the District Court, but a petition for rehearing is pending.

2. The Donnelly homestead dispute is within the E2 of Section 25, T14N,R1W,S.M. Donnelly also claims to have a right to land under §14(c)(1) of the Alaska Native Claims Settlement Act.

The Federal District Court has ruled against Donnelly on his claims, but has not yet entered an appealable judgement. However, Donnelly has already filed a Notice of Appeal to the 9th Circuit Court of Appeals.

3. The Lee homestead litigation is within the NW4 of Section 25, T14N,R1W,S.M. and has been joined with the Eklund and Carr cases referred to in (1) above. The Lee 14(c)(1) claim has been joined with the Donnelly case referred to in (2) above.

4. The McIntyre homestead litigation is within Section 23, T1N,R1W,S.M. McIntyre lost his claim for a homestead in the 9th Circuit Court. The District Court still has before it his claim under §14(c)(1) of The Alaska Native Claims Settlement Act. McIntyre has expanded his 14(c)(1) claim beyond the boundaries of his homestead claim.

5. There may be claims for right-of-access to homestead lands to the south of the ANCSA 17(b) easement EIN 1-D9. The homesteaders built their roads long before ANCSA but the BLM did not reserve these lesser easements in the patent. Eklutna, Inc. does not have a list of who those users might be.

6. There appears to be a telephone line buried along the section line common to Section 13, T14N,R2W,S.M. and Section 18, T14N,R1W,S.M., also Section 24, T14N,R2W,S.M. and Section 19, T14N,R1W,S.M. Eklutna, Inc. has contacted the Matanuska Telephone Association on many occasions to determine if they had an easement of record. None has been provided, however, they did apparently apply for an easement at one time.

State of Alaska Department of Natural Resources has Eagle River Campground improvements located within Tract A-1 of Somerset Terrace Estates (Preliminary). The area is in the former W2NW2 Section 13, T14N,R2W,S.M.

Eklutna, Inc. is not aware of any other known underground entries on the proposed greenbelt lands.

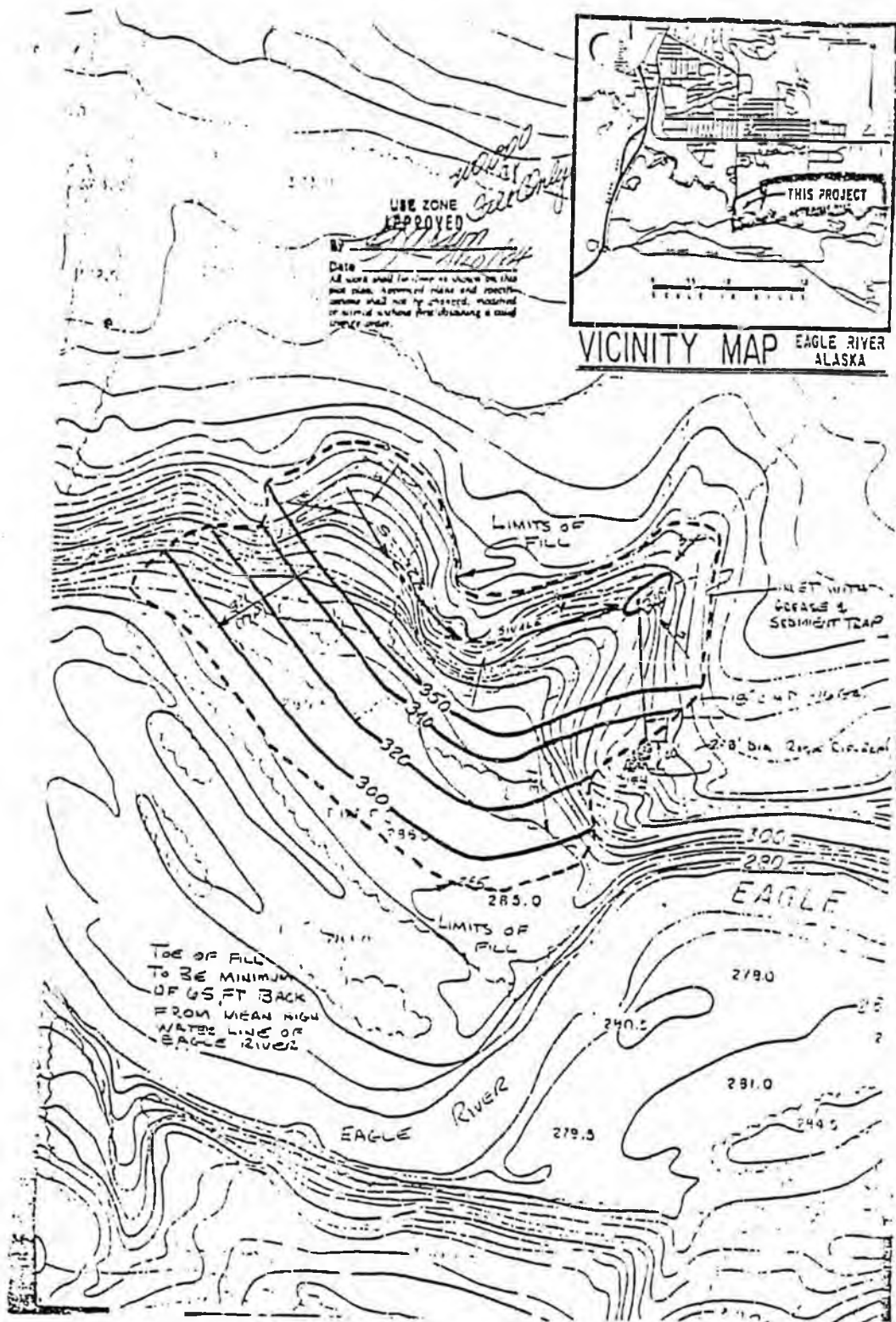
EASEMENTS BEING RESERVED BY EKLUTNA, INC

Excepting and reserving to Eklutna, Inc. and its assigns:

1. The 17(b)(3) easement for E1N 1 D9 reserved in Patent No. 50-79-0094 will be expanded from the current 60-foot width to 100 feet where it passes through lands acquired by the state pursuant to this agreement to accommodate a future public road and public utilities. This easement can be adjusted to provide for a more desirable alignment.
2. Lands identified by Municipality of Anchorage permit 84-6003 in the SW4, Sec 18, T14N,R1W,S.M. as shown in Exhibit A shall remain available for use as a fill site for ten (10) years from the date of execution of this agreement. Use and restoration of this site shall conform to the conditions specified on the Municipality of Anchorage permit 84-6003.
3. A 200-foot wide floating easement across lands acquired by the state in accordance with this agreement in the SE4NE4 of Sec 20 and SW4NW4 of Sec 21, T14N,R1W,S.M. to accommodate a public road with bridge, and public utilities. If this easement is used, an as-built alignment will be provided and reduced down to a 100-foot wide easement.

4. Eklutna, Inc. reserves an access easement as follows:

North 100 feet of the NE4SE4 and the north 100 feet of the
east 100 feet NW4SE4, Sec 22, T14N,R1W,S.M.



1. Zoning
Comments:

Submitted letter of determination regarding developable Wetlands. Also Hazard letter of non-involvement. Not in subdivision Wetland per telephone conversation. Pussilla Wolf 7/10/84; Ash & Jane

Need P.W.E.

2. Public Works/Engineering
Comments:

- Conditions of Approval
1. Incremental portions of the work should be reseeded at the end of each season to provide dust control and to ensure adequate sediment & erosion control. Compaction (as required to stabilize the slopes) must be provided.
 2. Percentage of woody debris must not exceed 10%. No junk or garbage allowed.
 3. 3:1 slopes (as shown) should be provided thru-out, with a 10' wide drainage terrace at 30' vertical intervals.
 4. Trees & shrubs must be included in proposed site plan. Specifics must be reviewed with PWE.

3. Traffic Engineering
Comments:

4. Building Safety
Comments:

COMPATIBILITY DETERMINATION:

This use: _____

Predominant Surrounding uses: _____

Compatible

Incompatible

Approved

Disapproved

BUILDING OFFICIAL

DATE

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

MEMORANDUM

State of Alaska

DEPARTMENT OF NATURAL RESOURCES

TO: Richard A. LeFebvre
Deputy Director
Division of Land and Water
Management

DATE: March 2, 1987

FILE NO:

TELEPHONE NO: 465-2400

FROM: Judith M. Brady *JMB*
Commissioner

SUBJECT: Delegation of Authority

I hereby designate Richard A. LeFebvre my authority to sign on my behalf the Final Exchange Agreement and the Final Finding for the Eagle River Greenbelt Exchange, ADL 223175.

To: Dick LeFebvre
Meg Hayes

AMENDED
REPORT ON THE EQUAL VALUE
LAND EXCHANGE BETWEEN THE STATE OF ALASKA
AND EKLUTNA, INCORPORATED
ADL 223175

This report has been prepared pursuant to AS 38.50.130. Amendments have been made to this report to reflect comments or other information which has come to the director's attention following agency and public review. A summary of all comments and information received has been appended to this report.

BACKGROUND

The state began negotiations with Eklutna, Inc. in June, 1986. The greenbelt is based on the plan adopted by the Anchorage Assembly on May 7, 1985 (Assembly Resolution 35-88). Adjustments were made to the boundary to reduce the amount of developable land included in the greenbelt, and thus to reduce the overall cost to the state. Decisions about what the greenbelt should include were based on several field trips focusing on the quality of the recreational experience from the river itself. In addition, the state hopes to acquire the Thunderbird Falls parking lot near Eklutna, Alaska.

The land the state is offering in this exchange is Block 112A, Anchorage Original Townsite. This block was acquired by the state for an office complex. It is located between "A" and Cordova Streets and between Fifth and Sixth Avenues. Changing economic conditions have made plans for constructing a state office building on this site obsolete, thus making the land available for consideration in this exchange.

Only surface interests are being proposed for exchange. The state closed Block 112A to mineral entry on November 28, 1986. The subsurface estate of the land being offered by Eklutna, Inc. is owned by Cook Inlet Regional Corporation (CIRI). In an agreement reached with the Municipality of Anchorage on November 25, 1986, CIRI agrees to execute to the state, without compensation, a non-development covenant for the subsurface estate to a vertical depth of 250 feet as long as the area is used for passive public park purposes. The covenant will also allow the annual use of up to 500 cubic yards of sand and gravel on site for such uses as trails.

In that same agreement, CIRI provided its consent to Eklutna's acquisition of Block 112A pursuant to the "Turf Agreement" dated January 31, 1983.

Under the terms of the settlement reached between the state and the Municipality of Anchorage dated November 25, 1986, pursuant to the Municipal Entitlements Act, the Municipality of Anchorage will acquire the state's interests in Block 112A if this proposed land exchange agreement is not completed. Although the University of Alaska has challenged the legality of that settlement, a stipulation between the parties to that suit allows this land exchange to proceed.

Amended Report
Eagle River Greenbelt
Equal Value Land Exchange
ACL 223175
Page Two

PHYSICAL CHARACTERISTICS

Eagle River is considered the most important recreational river in the Municipality of Anchorage. The river and its valley provide many opportunities for recreation including, but by no means limited to, sport fishing, whitewater boating, hiking, camping, snowmachining, horsebackriding, and cross-country skiing. Many homeowners on its hillsides consider the scenic views of the river among their significant amenities. Several commercial companies now offer services to enjoy Eagle River, and these types of services are expected to grow in popularity.

A major resort has been proposed at the confluence of Eagle River and South Fork. Dr. Robert Rogner, who has major recreational facilities in Europe, is considering construction of a world class lodge and ski development. Among the services currently being considered are 500 room chalet rentals, 2 hotels (250 rooms each), indoor and outdoor tennis courts and swimming pools, restaurants, and bars.

Land the state proposes to acquire in this exchange includes 1,658 acres of developable land and 2,022 acres of wetlands located along Eagle River. In addition to providing a recreational experience along the river, these lands provide important habitat for moose and other wildlife.

The greenbelt includes south-facing hillsides which are covered with a montage of vegetation types ranging from birch-aspen forests, spruce forests, and open meadows. These hillsides generally abut private lands, and are themselves highly desirable for subdivision development. Because of their south-facing aspect, they catch more of the winter sun than the south side of the valley. Access is provided via Eagle River Road, and various subdivision roads.

North-facing hillsides are also included in this exchange. This area has access via Hiland Road, trails and subdivision roads. The land proposed for acquisition by the state abuts either existing subdivisions or land suitable for subdividing. Access will be improved with the construction of the proposed Eagle River bridge and overpass.

The western boundary of the greenbelt is the Eagle River Campground operated by the state, part of which is actually located on land owned by Eklutna, Inc. The eastern boundary of the greenbelt is the present boundary of Chugach State Park. If this exchange is completed, the entire greenbelt will be added to Chugach State Park as soon as it becomes state land. This is required by AS 41.21.121. There will be a continuous greenbelt on both sides of Eagle River from the current boundary of Chugach State Park to the Eagle River, except on the south side at the confluence with South Fork in the immediate vicinity of the proposed resort.

Amended Report
Eagle River Greenbelt
Equal Value Land Exchange
ADL 223175
Page Three

More information on the physical characteristics of Eagle River Greenbelt can be found in the Eagle River Greenbelt plan adopted by the Municipality of Anchorage.

In addition, the state hopes to acquire the parking lot for Thunderbird Falls. This facility is also located on land owned by Eklutna, Inc. The falls are a significant attraction both to visitors from out of state and to local residents.

The land being offered by the state is Block 112A, Anchorage Original Townsite, located on the east end of the Anchorage central business district. This block is bounded by "A" and Cordova Streets, and by Fifth and Sixth Avenues. It is serviced by usual urban utilities, including water, sewer, electricity, telephone and natural gas, although these utilities may need to be relocated depending on the type of development. The earthquake hazard danger is considered moderate.

APPRAISAL

The appraisals of all parcels in this exchange were prepared under contract by the firm of Black-Smith and Richards, Inc. They are opinions of fair market value.

The appraised value of Block 112A is \$8,600,000.

The appraised value of the Eagle River Greenbelt is \$9,072,000 (including the appraised values of parcels 1, 2, 3 and 4). The appraised fair market value of the Thunderbird Falls parking lot is \$31,300. The total fair market value of the land offered by Eklutna, Inc. is \$9,103,300.

Recognizing the uncertainty of the appraisal process, four minor subunits of the greenbelt were identified and appraised separately. They are described below:

- Parcel 1: About 9 acres adjacent to the Rood Road out-in and recreation site. Its value is \$73,000.
- Parcel 2: About 12 acres along the South Fork of Eagle River. Its value is \$72,000.
- Parcel 3: Mostly treeless slopes which are part of the viewshed from Eagle River, about 94 acres. Its value is \$220,000.
- Parcel 4: Another part of the viewshed from the river, and about 28 acres. Its value is \$110,000.

Amended Report
Eagle River Greenbelt
Equal Value Land Exchange
ADL 223175
Page Four

The legislature appropriated \$1,000,000 for the purpose of the acquisition of the Eagle River greenbelt in 1986. Two-thirds of this was out on hold by Governor Sheffield because of the shortfall in revenue experienced this fiscal year. After the expenses for completing this exchange (title insurance, appraisal and survey) are subtracted, there are insufficient unrestricted funds left to acquire all of these subunits. The state proposed to acquire an option to purchase parcels 3 and 4 from Eklutna at this appraised fair market value rather than to purchase them at this time. This option would have to be exercised before May 1, 1988. However if the funds restricted by Governor Sheffield in Capital Improvement Projects appropriation number 39454 are made available before July 1, 1987 the state will exercise its option to purchase these parcels before August 1, 1987. This decision is based on the state's priority in acquiring parcels important for active public use. The state proposes to pay Eklutna, Inc. \$173,300 in cash to equalize values in the exchange.

BENEFITS AND DETRIMENTS

The benefits of the proposed exchange are numerous. Through this exchange, the state will acquire one of the most important recreational resources in close proximity to a major urban area. These lands will be added to and managed as part of Chugach State Park.

Because of declining oil revenues, interest in diversifying Alaska's economy is increasing. One of the sectors commonly expected to grow is tourism and private recreational developments. This exchange will guarantee that this recreational resource will be available to be enjoyed by visitors to Anchorage and to local residents as well.

In addition, the greenbelt will protect the scenic views so highly valued by homeowners in Eagle River Valley. It will guarantee them continued access to the sport-fishing, berry-picking, wildlife-viewing, and recreational resources which drew them to this area in the first place.

Through this exchange, two instances of potential state trespass on Eklutna, Inc. land will be resolved. Both of these areas, Eagle River Campground and Thunderbird Falls parking lot, are heavily used by the public. Resolving these trespass issues will allow the state to continue to manage and improve facilities needed to serve this large volume of users.

The Eagle River Valley contains habitat essential to the continued success of fisheries and wildlife species in an urban setting. Enjoyment of these resources will continue by protecting this habitat from disruptive development.

The exchange also makes Block 112A available for private development. This block is kitty-corner from the Anchorage Historical and Fine Arts Museum and is between the Sheraton Hotel and the primary tourist attractions of downtown.

Amended Report
Eagle River Greenbelt
Equal Value Land Exchange
ADL 223175
Page Five

The state's development of this block no longer seems feasible. Allowing it to remain used as a parking lot is considered by some to amount to urban blight. Visitors and tourists often enter Anchorage on Fifth Avenue. The vacant lot gives the impression that Anchorage is not the vibrant, growing, enthusiastic city it purports to be. The opportunity for development of this parcel is enhanced by this exchange. Eklutna, Inc., by using land assets instead of capital for acquisition, will be in a better position to bring development on line at an early opportunity.

The detriments which may occur as part of this exchange included a possible change in the use patterns of Eagle River Valley. Increased numbers of visitors may change the recreational experiences enjoyed by unauthorized persons now recreating on Eklutna's lands. Increased management and more facilities may be expensive for the state, especially at this time, and may not be universally popular.

Possible social impacts of developing Block 112A may also occur. Residents in that area may have preferred a state office building to the uncertainty of the types of development which may be proposed by Eklutna.

In summary, this exchange only confirms and stabilizes the type of land uses most appropriate for the lands under consideration. It will allow land valuable for public use to be acquired by the state. It will put land with good development capability in private ownership. Significant social, economic, and environmental impacts from this exchange are not expected in the near future. Such impacts may occur in the long term depending upon the management and types of facilities built on these lands.

FINDING OF ALTERNATIVES

Pursuant to AS 38.50.100, the state has considered several alternatives to the proposed exchange. Based on current knowledge, none of them seem feasible at this time.

The state's objectives are threefold:

1. to acquire an Eagle River Greenbelt and add it to Chugach State Park;
2. to resolve the state's trespass on Eklutna, Inc. lands at Eagle River Campground and at Thunderbird Falls parking lot; and
3. to stimulate economic vitality by making land in the Anchorage Central Business District available for private development.

Alternatives to achieve each of these will be described below:

Objective 1: Acquire an Eagle River Greenbelt and add it to Chugach State Park

- A. The surface estate interests in the greenbelt are currently owned by Eklutna, Inc. and thus are not available for selection under the Alaska Statehood Act.
- B. The state does not have authority to add lands to Chugach State Park through eminent domain, but can acquire by purchase [see AS 41.21.125 and AG opinion file A66-292-80 (10 July 1980)].
- C. The state could purchase these lands from Eklutna Inc. However, it is unlikely that approximately \$9,103,300 would be appropriated from the general fund for this purpose in the current economic situation.
- D. The state could lease the subject lands from Eklutna, Inc. However, the annual rent could be expected to total about \$720,000/year, again an unlikely amount to be appropriated at this time. In addition, a leasehold only would not provide the assurance needed to manage and develop the Eagle River Greenbelt for the long term public interest.
- E. The configuration of the greenbelt could be made larger or smaller. In fact, the existing Eagle River Greenbelt differs from the plan adopted by the Municipality of Anchorage Assembly Resolution 85-88. However, the area identified in this exchange is considered the minimum necessary to protect the recreational experience from the perspective of Eagle River itself. To acquire a greater area at this time does not appear feasible because of the state's lack of resources for such an acquisition.

Objective 2: To resolve the state's trespasses at Eagle River camoground and Thunderbird Falls parking lot.

The state currently has improvements on and encourages the public to use Eklutna lands at these two locations.

- A. These lands belong to Eklutna, Inc. and are not available for selection under the Alaska Statehood Act.

- B. As explained above, the state cannot acquire these lands under eminent domain.
- C. The state could acquire these parcels through purchase if funds were available. However, the \$1,000,000 appropriated in 1986 was for the acquisition of an Eagle River Greenbelt, not merely these two parcels. In addition, this course of action would not meet the state's other objectives.
- D. The state could lease these lands from Eklutna if money was available and Eklutna was willing. However, this alternative would not give the state the assurance necessary to intensely manage these high use public recreation facilities.

Objective 3: To stimulate the economic vitality of the Anchorage Central Business District by providing an opportunity for private development.

Block 112A, the state's land interest in this exchange, is currently used as a parking lot. It had been acquired by the state for an office complex. Changing economic conditions made this proposal unfeasible. In resolving Municipality of Anchorage claims under AS 29.65, the state agreed to convey this block to Municipality of Anchorage in the event that this land exchange was not consummated. Thus, Block 112A is not now available for lease or sale to private developers by the state.

APPENDIX

Appraisal

This section of the report corrects typographical errors in the preliminary report. These corrections can be found on pages 2 and 3 of this report.

Benefits and Detriments

As a result of agency review, the following information substantiates benefits if the Eklutna lands are added to the Chugach State Park and if block 112A is conveyed to Eklutna, Inc.

Figures for the amount of recreational use of the proposed greenbelt were gathered from records of the Division of Parks and Outdoor Recreation, Eklutna, Inc., and users of the river. Estimates were compiled based on voluntary user permits issued. Trespass problems on Eklutna land are common; therefore, recorded use could be doubled.

Eklutna records indicate issued permits for summer river use for 1984 through 1986 as follows:

1984	856 participants
1985	341 "
1986	371 "

The drop in 1985 and 1986 participants can be attributed to high water and adverse weather conditions. In addition, Eklutna has been more flexible in the permitting requirements. Two major users of the river, Alaska Travel Adventures and Knik Kanoers and Kayakers, strongly believe that major recreational uses of the river have noticeably increased. They report it to be one of the most heavily used whitewater streams in the state.

Records of the Division of Parks and Outdoor Recreation indicate visitor use for the Eagle River Campground and the Chugach State Park Visitor Center between May-October as follows:

Eagle River Campground

1984	25,392 visitors
1985	58,649 "
1986	74,049 "

Visitor Center

1984	42,142	visitors
1985	48,175	"
1986	54,774	"

As the records indicate, use of these recreational facilities have steadily increased in recent years. These two facilities located at opposite ends of the proposed greenbelt will encourage use within the greenbelt itself.

The development plans proposed by Eklutna, Inc. for the downtown Block 112A include a multi-complex office building containing retail shops, professional office space, and residential units. Intensity of development will depend on the zoning restrictions by the municipality. The private sector development will contribute to the local tax base.

Brief Summary of Public Comments

Public hearings were conducted as required by AS 38.50.120 and 11 AAC 67.250. These hearings were held February 18, 1987 in Anchorage, Eagle River and Chugiak. Attached are the sign-in sheets and summary of the comments and testimony presented at the hearings. No one attended the hearing in Chugiak.

Organizations as well as individuals were represented at the two hearings. The following agencies and organizations were represented and gave testimony in support of the exchange:

Chugach State Park Citizen's Advisory Board, represented by Dave Young
South Fork Community Council, represented by Dave Young
Chugiak-Eagle River Chamber of Commerce, represented by Vince Vitale
Municipality of Anchorage, represented by Peter Scholes and Ron Crenshaw
Alaska Chapter of the American Snowmachine Association, represented by
Wes Hamrick
Alaska Center for the Environment, represented by Stephane Kessler
Knik Kanoers and Kayakers, represented by Dave Blanchet

The following individuals gave testimony:

Sheryl Swigart - in favor
Lynn Tate - in favor
Rod Hansen - in favor
Jerry McCutcheon - expressed concerns
J. Wadell - in favor

Amended Report
Eagle River Greenbelt
Equal Value Land Exchange
ADL 223175
Page Ten

In addition, resolutions strongly supporting this exchange have been submitted by:

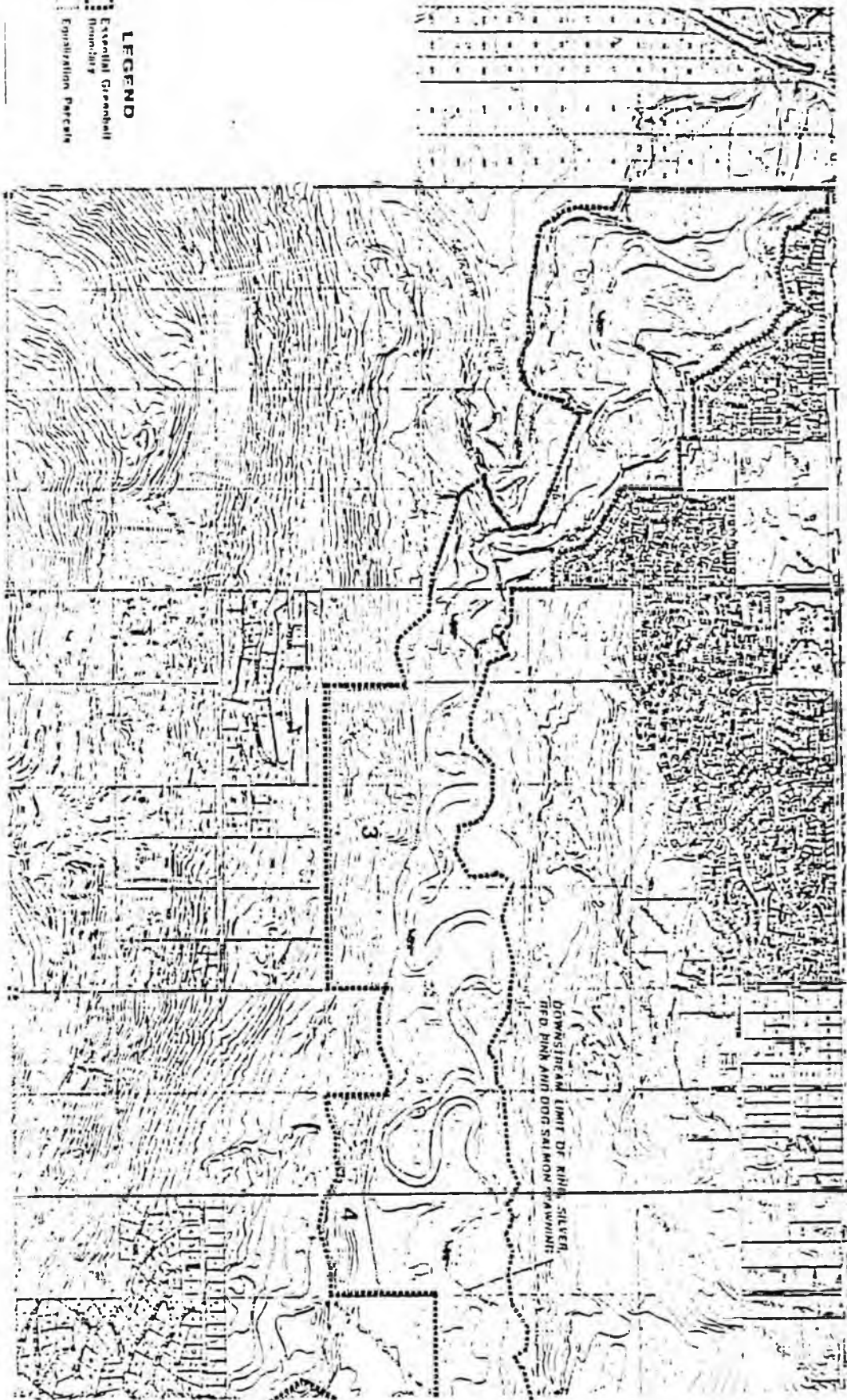
Anchorage Chamber of Commerce
Eagle River Chamber of Commerce

The hearing record remained open for two weeks following the conclusion of the public hearing in which many individuals submitted additional comments. Attached are individual letters with a response, if appropriate.

After the close of the record period, the Division of Land and Water Management received comments from DOTPF and the following people:

DOTPF - favored the exchange and expressed concerns which had already been addressed in the agreement.
Michel E. Gryalva - generally in favor
Jack and Mary Kaye Hession - generally in favor
Jack Mosley - generally in favor
Sharon Dowling - generally in favor
Michael Rees - generally in favor
James B. Gottstein - Opposed. He believes that Block 112A is better used in partial satisfaction of the state's responsibilities to the Mental Health Trust.

We have read and considered these comments. Only Jim Gottstein's comments expressed concerns opposed to the exchange. However, none of the lands involved in the exchange are Mental Health Trust lands. Moreover, the decision to convey Block 112A to the Municipality of Anchorage if this exchange is not implemented was made December 18, 1986. Mr. Gottstein had notice of that action and failed to appeal it. The department recognizes the state's obligations to the Mental Health trust and the legislature is considering various proposals to resolve that issue.

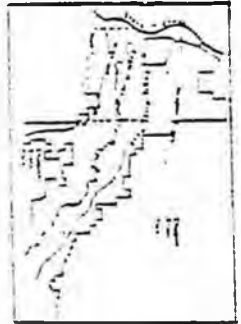


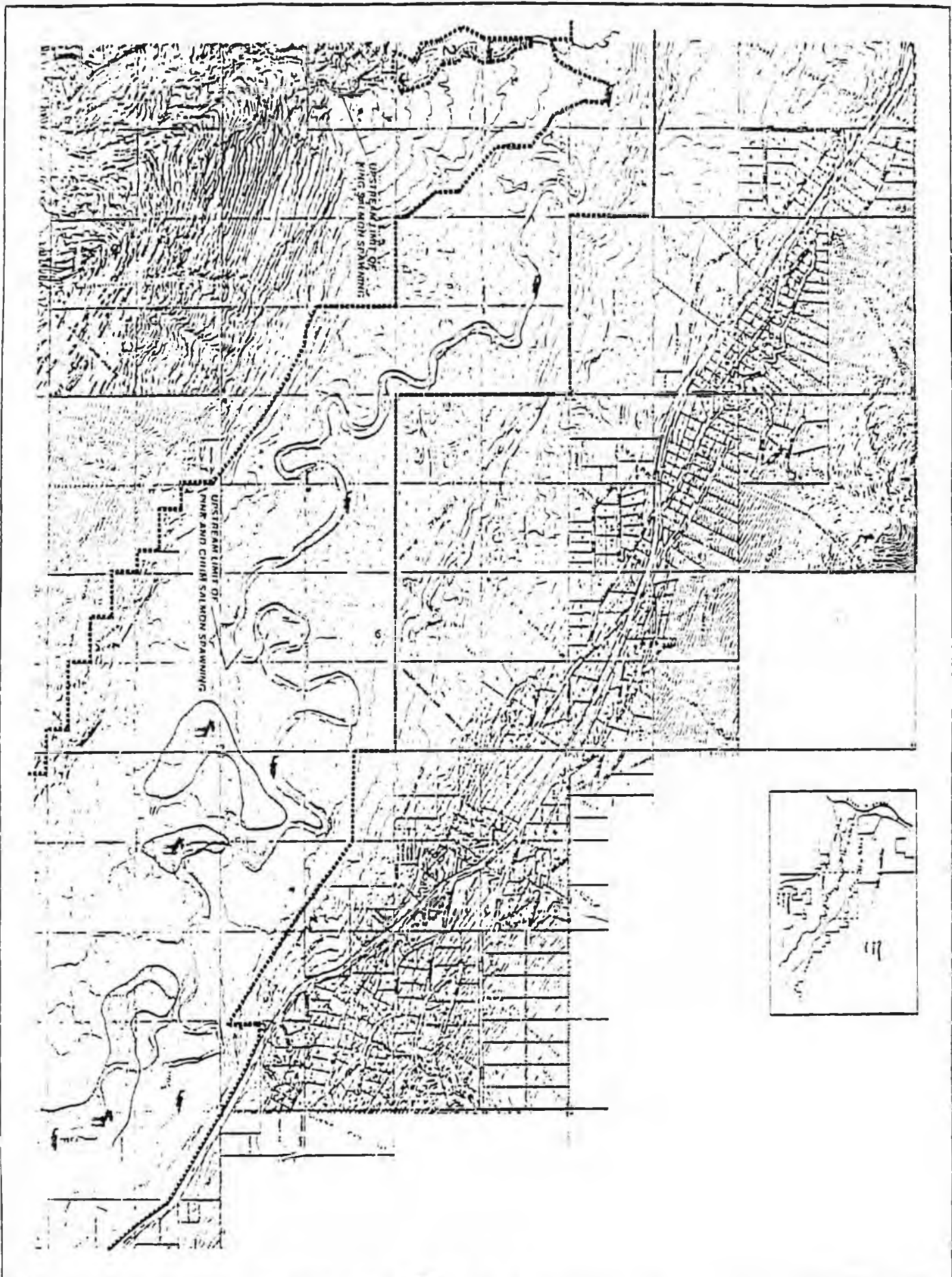
LEGEND
 Essential Greenbelt Boundary
 Finalization Parcels

ASSOCIATION
 Moose Preferred Habitat
 Downstream Limit of King, Silver, Red, Pink and Dog Salmon Spawning as Indicated on Map
 Upstream Limit of Salmon Spawning as Indicated on Map

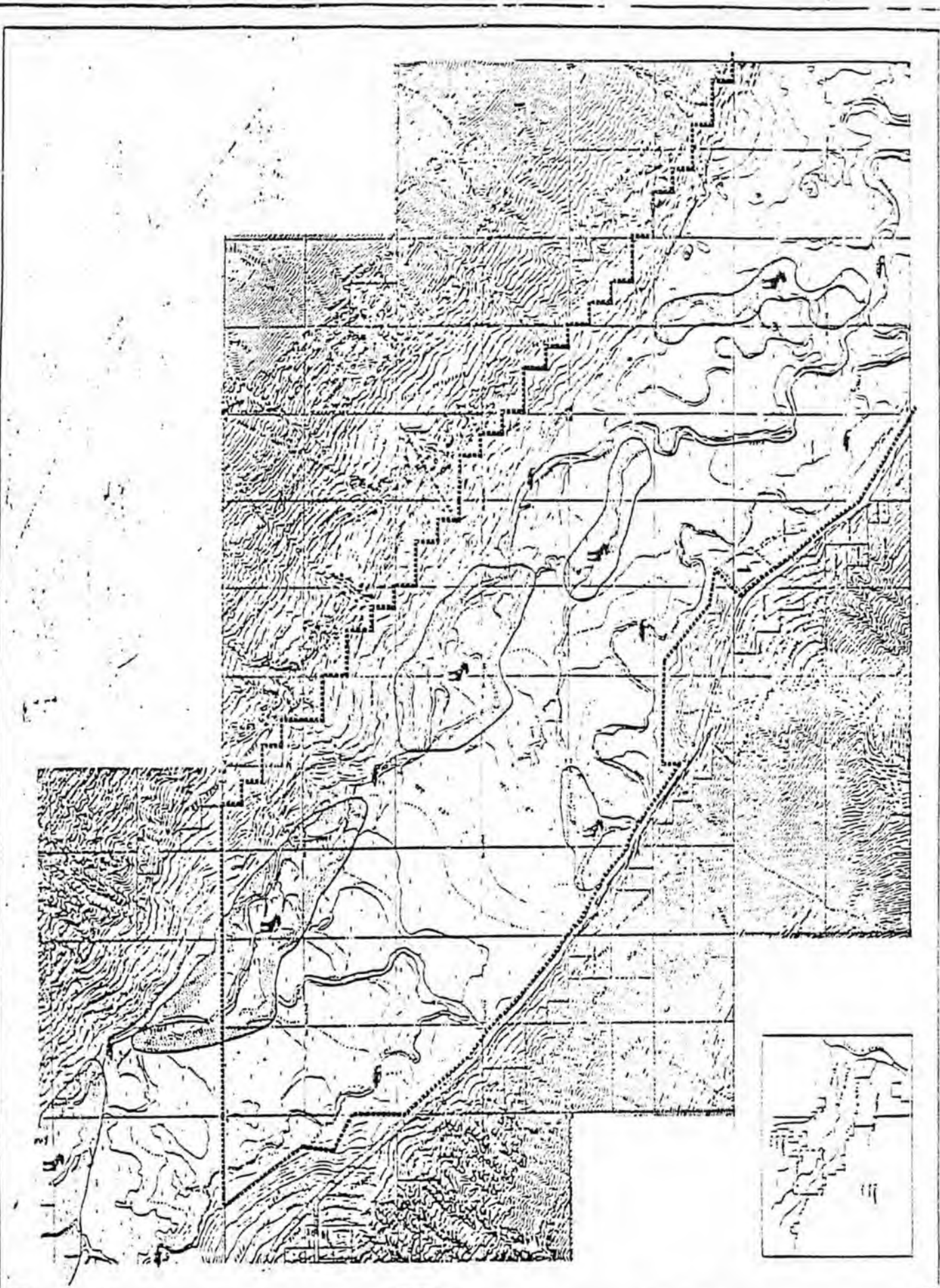


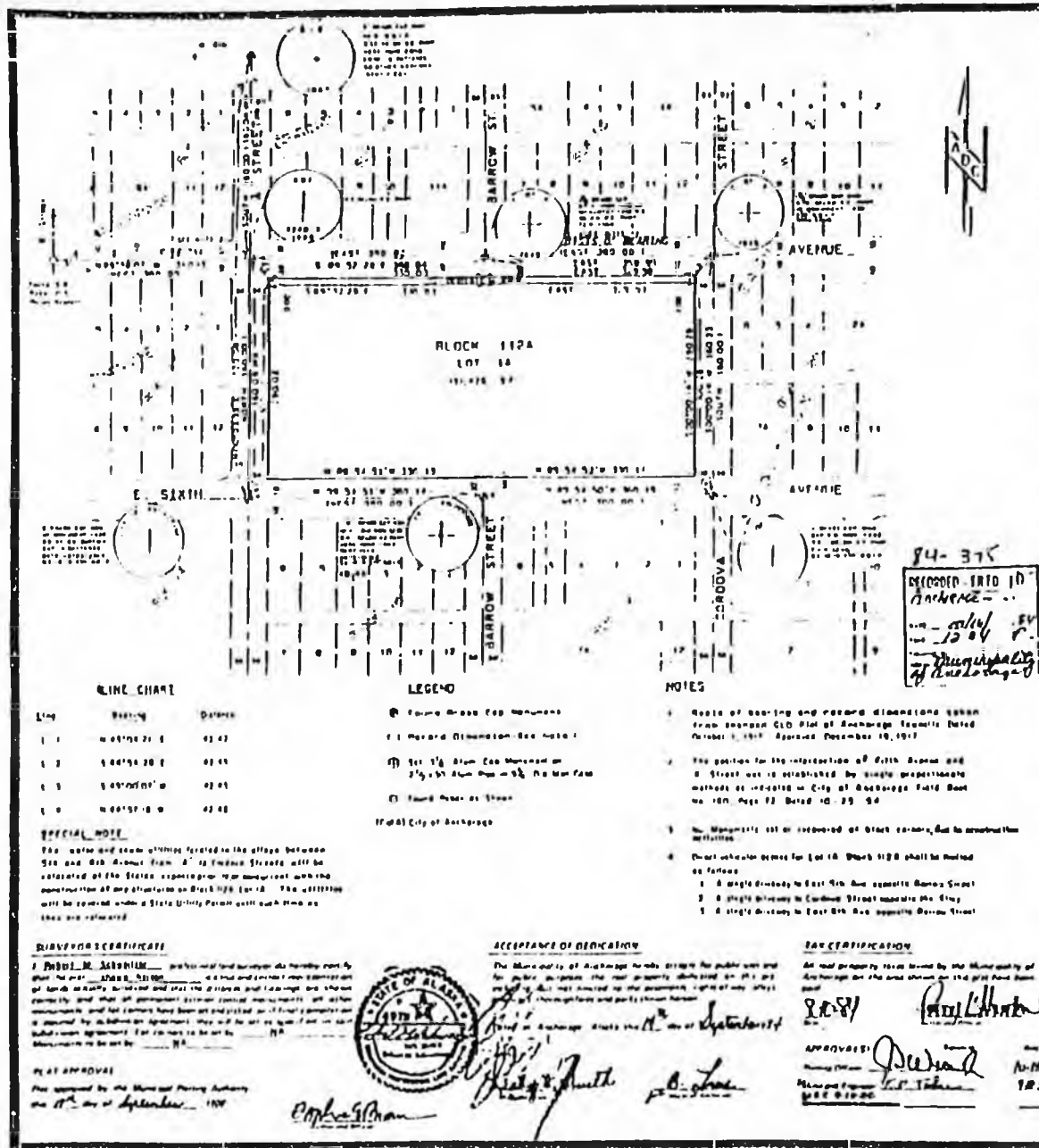
EKLITNA INC. LAND
 The state proposes to acquire options to purchase subunits 3 & 4





SHEET NO. 2 OF 1 SHEET	Wildlife Habitat Map 3	SCALE 	PROJECT TITLE EAGLE RIVER GREENBELT PLAN	PREPARED BY TRA/Farr ARCHITECTURE ENGINEERING PLANNING INTERIORS 1001 E. BUCKEN BLDG., ANCHORAGE, AK 99508 (907) 577-7641	DATE 1/19/90 SCALE 1" = 400'
-------------------------------------	----------------------------------	-----------	--	---	---------------------------------------





CERTIFICATE OF OWNERSHIP AND DEDICATION

I, **James R. Anderson**, do hereby certify that I own and have a legal interest in the property described herein. I have hereby dedicated to the Municipality of Anchorage all or part of the property described herein for use as public utility easements, streets, alleys, playgrounds, parks, and other public uses shown thereon. These uses shall be reserved subject to the usual and custom of the law. A record of this dedication is on file in the office of the City Clerk of Anchorage, Alaska. I have also caused to be recorded in the office of the City Clerk of Anchorage, Alaska, a copy of this certificate. This certificate shall be a part of the record of this dedication and shall be a part of the public records of the Municipality of Anchorage.

I, **James R. Anderson**, do hereby certify that I own and have a legal interest in the property described herein. I have hereby dedicated to the Municipality of Anchorage all or part of the property described herein for use as public utility easements, streets, alleys, playgrounds, parks, and other public uses shown thereon. These uses shall be reserved subject to the usual and custom of the law. A record of this dedication is on file in the office of the City Clerk of Anchorage, Alaska. I have also caused to be recorded in the office of the City Clerk of Anchorage, Alaska, a copy of this certificate. This certificate shall be a part of the record of this dedication and shall be a part of the public records of the Municipality of Anchorage.

James R. Anderson
 Mayor of Anchorage
 City of Anchorage, Alaska

Witness my hand and seal this 19th day of August, 1977.

James R. Anderson

112-112-112A

RECORDED INTO 10
ANCHORAGE - 112
112-112-112A
112-112-112A

Approved:
Alfred J. ...

112-112-112A



ALASKA DEVELOPMENT CONSULTANTS, INC.
 8312 Arctic Drive, Suite 201, Anchorage, Alaska 99506
 Phone 551-1111

112-112-112A

RECORDED INTO 10
ANCHORAGE - 112
112-112-112A
112-112-112A

STATE LAND: Lot 1A, Block 112A, Anchorage Original Townsite

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LAND AND WATER MANAGEMENT
SOUTHCENTRAL REGION
P.O. BOX 107005
3601 "C" Street
Anchorage, Alaska 99510-7005
PUBLIC NOTICE UNDER AS 38.05.945 and AS 38.50.110

ACL 223175

Subject to the provisions of AS 38.05.945 and AS 38.50.110, and pursuant to the regulations promulgated thereunder, the Division of Land and Water Management gives notice that it proposes to conduct an equal value land exchange for the surface estate only on state-owned land under AS 38.50 for the surface estate only on private land owned by Eklutna Inc. The director further gives notice that a written finding of the state's best interest under AS 38.05.035(e) has been entered into the administrative record regarding the proposed exchange.

The purposes of the exchange are to acquire valuable recreational land along the lower segment of Eagle River for public use and to be included within Chugach State Park, to protect habitat and wetland areas, and to maintain the scenic Eagle River Corridor for public enjoyment and to acquire the Thunderbird Falls parking lot near Eklutna, Alaska for public use. Parties to the exchange are the State of Alaska, address above, and Eklutna, Inc., 555 West Seventh Avenue, Suite 1550, Anchorage, Alaska 99501.

All land is located within the boundaries of the Municipality of Anchorage and described as follows:

Eklutna Land To Be Acquired By The State

Land is generally described as being located within T14N, R2W, S.M. Section: 13; T14N, R1W, S.M., Sections: 16 through 27, 35 and 36; T14N, R1E, S.M., Sections: 30, 31 and 32 (along Eagle River); and T16N, R1W, S.M., Section: 25, the Thunderbird Falls parking lot; containing approximately 3,680 acres generally located in Eagle River and Eklutna, Alaska.

State Land To Be Acquired By Eklutna, Inc.

Lot 1A, Block 112A, Anchorage Original Townsite as shown on plat 84-375 filed in the Anchorage Recording District on October 16, 1984. Containing approximately 4.39 acres located between Cordova and A Streets and 5th and 6th Avenues in downtown Anchorage.

All land involved in the exchange is subject to prior valid existing rights. Both parties will waive the administration of these rights on the specific land the parties offer for exchange when the exchange is completed.

The proposed equal value exchange will be based upon appraised fair market values. An independent fee appraisal established the fair market value for the state land at \$8,600,000 (State Appraisal No. 1975) and the value of the Eklutna, Inc. land at \$9,072,000 for the Eagle River Greenbelt and \$31,300 for Thunderbird Falls parking lot (State Appraisal No. 1974). Four minor subunits of the greenbelt are identified and given individual appraised values. Two of these four subunits and the Thunderbird Falls parking lot are proposed to be pursued in this exchange. The difference in appraised value of \$173,300 will be paid in cash by the state to Ekiutna. The state shall have option to acquire, before May 1, 1988, at the present appraised value, the remaining two units. The proposal must receive legislative review as provided by AS 38.50.140.

A report containing detailed maps, a physical description of the land involved, appraised values, impacts and alternatives considered and other statutory requirements are available at the Division of Land and Water Management, Southcentral Region Office, P.O. Box 107005, Anchorage, Alaska 99510 located at 3601 "C" Street, Suite 1080, Frontier Building in Anchorage.

Public hearings on the proposed exchange will be held simultaneously on Wednesday, February 18, 1987, beginning at 7:00 PM at the following locations:

Anchorage

Z. J. Loussac Library, Public Conference Room
3600 Denali Street

Eagle River

Eagle River Library, Community Room
Valley River Center

Chugiak

CCS Building, Multi Purpose Room
Mile 6, Old Glenn Highway

The hearing record will remain open for two weeks following the hearing date in order to receive written comments on the proposed land exchange.

Any comments, objections, or expressions of interest pertaining to the proposed exchange or assertions of a claim to the property involved must be received by the Division of Land and Water Management at the above address on or before 4:30 p.m., March 4, 1987, in order to be considered.

The Division of Land and Water Management reserves the right to waive technical defects in this publication.

/s/ TCM HAWKINS, Director
Division of Land and Water Management

PUBLISH: January 19 and 26 and February 2, 1987

EAGLE RIVER GREENBELT LAND EXCHANGE

Public Hearing - 7:00 P.M. February 18, 1987

Location: Eagle River

Name	Address	Phone	Do you wish to testify tonite?
Judy Jett	DNR, Pouch 7005	762-2284	
Ed Smoot	E. R. Chamber	694-4091	X ^{left before}
Rosemary Johnson	P.O. B. 770456 Eagle River	694-2543	?
DAVE YOUNG	S.R. 2 BOX 9313 E.R.	694-9823	YES
BILL QUIRK	POB 213929 Anch	333-7840	NO
Vince Vitale on behalf of Chugach - Eagle River Chamber of Commerce	P.O. Box 120179 Eagle River	694-7699	Yes
J. Wadell	9447 Dikaster Eagle River 99577	694-7886	YES -
Karen Winderl	9407 Dikaster CR EAGLE RIVER 99577	694-7846	
Peter Scholes	Municipality of Anchorage	264-4906	YES
Lynne Tate	523 9359 H. Land Rd. 99577	694-7101	YES
Greg Strong	17501 Wingham Cir Eagle River AK	694-2045	NO
> Joe Hancock	16445 Marcus St E.R.	694-3734	
Chris E Campbell	13324 W. Parkview Terrace ? R	694-4681	NO
A. Debbie Sullivan	1121 Rte 1698 Eagle River	694-3213	NO

EAGLE RIVER GREENBELT LAND EXCHANGE

Public Hearing - 7:00 P.M. February 18, 1987

Location: Eagle River

Name	Address	Phone	Do you wish to testify tonite?
Pete Purnose	25210 Dixie Ave	694-3153	No
Evan Lok	9123 Hilland	694-2812	No
Rod Hansen	9413 Hilland Rd	694-6506	Yes -

EAGLE RIVER GREENBELT LAND EXCHANGE

Public Hearing - 7:00 P.M. February 18, 1987

Location: Anchorage

Name	Address	Phone	Do you wish to testify tonite?
Eale Tubbs	3rd 4550 550 W 7th Ave Anch 99501	276-5701	
Stephane Kusler - AK Center for the Environment	411 W 4th Street 1A, 99501	274-3621	yes
Alfred Sargent	107 E 4th Ave 99502 Eagle River 107 E 4th Ave Eagle River, AK		
Don Whithorn	1179 W. Aster Rd.		
McCatchee	Anchorage		
DAVE BANCHET	4204 Cove St Anch 99503	361-0500	YES
Jack Nicshy	PO Box 40264 Anch 99514		
Ken Crawshaw	Municipality of Anch	364-4335	yes

EAGLE RIVER GREENBELT LAND EXCHANGE

Public Hearing - 7:00 P.M. February 18, 1987

Location: Chugiak

Name Address Phone Do you wish to testify tonite?

Tom Nelson

Alvina

343-4865

MEMORANDUM

State of Alaska

DEPT. OF NATURAL RESOURCES, DIV. OF LAND & WATER MGMT., SOUTHCENTRAL REGION

TO Eagle River Greenbelt file
ADL 223175

DATE: February 27, 1987

FILE NO

TELEPHONE NO 762-2253

FROM Bryant Kuby *BK*
Natural Resource Officer

SUBJECT ERGB public hearing
Wednesday, Feb. 13, 1987

Meg Hayes, SCRO Regional Manager, and I conducted the Eagle River Greenbelt Land Exchange public hearing in Anchorage. Approximately 10 people were in attendance while only 3 signed the attendance list.

Meg began the hearing at 7:00 p.m. with a brief synopsis of the proposed exchange before opening the meeting to public testimony. Five people testified: Four spoke in support of the exchange and one person expressed concern about the wisdom of the exchange.

Following is a brief summary of what each person said:

1. Stephane Kessler - Alaska Center for the Environment.

The Alaska Center for the Environment supports the exchange and believes the Eagle River is the most important recreational river within the Municipality of Anchorage. The 18 mile stretch of Eagle River included in the Exchange is easily accessible from Anchorage and greenbelts and local trails have proven to be very popular in the Anchorage area. The Eagle River and the surrounding area is important habitat that protects and maintains local wildlife and the exchange will help protect water quality both for fish and recreational uses. Scenic views will also be protected for local residents as well as instate and out-of-state visitors. The economic benefit of the exchange is invaluable as... "people don't spend money to come to Alaska to see our urban development." The exchange will be ideal for expansion of tourist and recreational industries and it is further recommended that the south fork waterfalls as well as parcels 3 and 4 be included.

2. Dave Blanchet - Knik Kanoers and Kayakers

Knik Kanoers and Kayakers is an organization of 350 families who are concerned about conservation and water quality issues in Alaska. The Eagle River is the one used most for recreation by this group and almost all the club members have been on it. The Eagle River provides different qualities of paddling and is very accessible to the Anchorage community. This organization favors acquisition of the greenbelt to protect it for this and future generations.

3. Ron Crenshaw - Municipality of Anchorage

The MOA obviously supports this exchange and willingly enters into the agreement knowing that the trade for the downtown blocks will be credited against the municipality's land entitlement. The 8 million dollars worth of land in the central business district will be returned to the private sector and put back on the tax rolls. This will have huge economic benefits for the municipality and create development opportunity downtown for the private sector. The two parcels will end up under the best possible management scheme: The greenbelt managed for the public by the public and the downtown lots developed and managed by the private sector. The MOA feels there has been strong cooperation between the state and municipality and this speaks well of the cooperation between the private sector and various levels of the public sector all working together to pull off a "win-win" land exchange.

4. Jerry McCutcheon - 50 year resident of Anchorage

Mr. McCutcheon felt that this public hearing was the first time the information about the exchange was made available and the state apparently didn't have any idea how the greenbelt would be managed. The state didn't know what the management would cost or how it would get the money. The state didn't have any idea what impact the ski development would have. No consideration was given to plummeting land value on undeveloped land and stagnated values for downtown commercial land. The state doesn't have subsurface rights so it can't extract gravel for roads and trails, etc. nor do they know what it will cost to extract gravel. They don't know what's going to become of the subsurface rights because they control the surface rights. The state should get the entire acreage in fee simple before proceeding. Most of the land looked like ice plain and flood plain and other more desirable land such as federal land at Clunie Lake should be acquired.

5. Sheryl Swigart - Resident of the area

Ms. Swigart spoke in support of the exchange noting that the Chugach State Park offers wonderful resources close to the city of Anchorage. Since half the population of the state is in the Anchorage area this is an important exchange because the primary use of the Eagle River is for recreation. Currently there are access problems to the Eagle River and the exchange will solve the access and management problems. The Eagle River is used all year round and provides a wonderful corridor into the heart of Chugach State Park.

The public hearing adjourned approximately 3:30 p.m.

MEMORANDUM

State of Alaska

DIVISION OF LAND & WATER MANAGEMENT, SOUTHCENTRAL REGION

to Eagle River Greenbelt File

DATE: February 20, 1987

FILE NO:

TELEPHONE NO

FROM: Judy Jett, Chief
Lands Conveyance Section

SUBJECT Public Hearing - February 18, 1987

The Wednesday night Eagle River public hearing on the ERGB exchange was attended by approximately 20-25 people (some came in late and failed to sign the attendance list). Approximately 8-10 folks testified. Unfortunately, the tape reflects only 3 of those testimonies (I must have pushed the wrong button when I turned the tape over after Peter Scholes' testimony).

The testimonies given were all in favor of the exchange. Dave Young, member of the Chugach State Park Citizens Advisory Board and President of the South Fork Community Council expressed concern that DNR was not taking a more aggressive approach in seeking the release of the \$650,000 which had been withheld from the \$1,000,000 appropriation received in last year's legislative session. Both interest groups had previously passed resolutions which supported acquisition of the park lands including Parcels 3 & 4 and the Barbara Waterfalls.

Vince Vitale, President-Elect of the Chugiak-Eagle River Chamber of Commerce informed us that the Board of Directors had adopted a resolution in support of the exchange. He submitted a copy of that resolution along with a letter of support to Governor Cowper.

Peter Scholes, Property Manager for the MOA expressed his personal interest in the exchange, as well as the MOA's. The greenbelt acquisition and subsequent inclusion into the park not only would assure long-term recreational use by the public of lands located within a reasonable distance to an urban center, but also that the exchange would result in revitalization of a portion of the city that has been dormant for several years.

The remaining testimonies were heard from local residents who were extremely interested in seeing that the exchange transpired. Their main concern was that they wanted the lands to return to public ownership to prevent future actions such as sale of the land for residential subdivisions that comes with private ownership. They preferred the land to be managed status quo as part of the park.

There were few questions asked about the actual exchange. I gathered that the group was not necessarily interested in the particulars of the exchange, but that it indeed would take place so that the lands would be protected from private development. No remarks concerning the values established by the appraisals were received - only concerns on how the area might be managed by the state after acquisition. I responded to those concerns by reminding them that management would be the responsibility of the DOPOR.

One question arose that I could not answer with a definite response. An Eagle River resident asked what the definition of "passive" public park purposes was. The President of the Alaska Chapter of the American Snowmachine Association was also interested in knowing the definition of this phrase used in the 11/25/86 CIRI/MOA agreement. I generalized that it meant uses compatible with existing park activities, such as trail construction. However, they wanted a more definite meaning. I have drafted a short letter to them in response and

will enclose copies of a portion the Chugach State Park Master Plan which describes present uses allowed in the park (plus future development plans). Al Meiners has reviewed the draft and suggests that I mention the possibility of DOPOR adopting the MOA's greenbelt plan.

I concluded the meeting by emphasizing the need to contact state legislators for their support to the exchange.

MEMORANDUM

State of Alaska


to Margaret J. Hayes
Regional Manager
Division of Land & Water Mgmt.
Department of Natural Resources

DATE February 19, 1987

FILE NO OM 1-1 C 1

TELEPHONE NO. 465-2700

FROM Jim Sampson
Commissioner
Department of Labor



SUBJECT Land Exchange Application
Eagle River ADL 223175

While I have no objection to the proposed Eagle River land exchange, I would mention that it has not been established that there are substantial benefits to the State. Although a number of benefits have been claimed, they have not been substantiated. For example; it has been inferred that recreation use is substantial, but the number of visitor days are not reflected. Also, it is suggested that Eklutna, Inc., would develop the Anchorage parcel of land to the economic benefit of Anchorage, yet no mention is made of the intended use by Eklutna. Without specifics, it is not possible to realistically evaluate the economic benefits of this exchange and its impact on labor.

Thank you for the opportunity to comment.

JS:kmc
Lex:17

MEMORANDUM

State of Alaska

DEPARTMENT OF FISH AND GAME

TO: Margaret J. Hayes
Regional Manager
Division of Land and Water
Management

DATE: February 23, 1987

FILE NO.:

THRU: Department of Natural
Resources

TELEPHONE NO.: 465-4105

SUBJECT: Land Exchange
Application
ADL 223175

FROM: *Baker*
Bruce H. Baker
Acting Director
Habitat Division
Department of Fish and Game

The Alaska Department of Fish and Game (ADF&G) has reviewed the proposed land exchange between Eklutna, Incorporated and the State of Alaska that is documented in land exchange application #ADL 223175 and which you distributed for comment on January 19. The department supports the basic articles of the proposed land trade. The results of such a trade should provide a reasonable opportunity for the state to accomplish the three objectives described in the Best Interest Finding section of the application.

However, the department is concerned that equalization parcels #3 and #4 within the Eagle River Green Belt were not proposed for inclusion in the initial trade. The department recommends that, prior to the end of the option-to-acquire period (5/1/88), the state reassess whether funds to purchase these important additions to the green belt are available and, if they are not, request an extension of this period.

Please keep my staff informed of your progress in these negotiations.

Thank you for the opportunity to comment.

cc: Carl Yanagawa, ADF&G
Paul Krasnowski, ADF&G
John Westlund, ADF&G
David Harkness, ADF&G
Kevin Delaney, ADF&G

Municipality
of
Anchorage



POUCH 6-650
ANCHORAGE, ALASKA 99502-0650

TONY HOWLES
MAYOR

DEPARTMENT OF PARKS AND RECREATION

February 11, 1987

Margaret J. Hayes
Regional Manager
Division of Land &
Water Management
South Central Office
P.O. Box 10-7005
Anchorage, AK 99510-7065

Dear Ms. Hayes:

I am writing you in regard to your letter of January 19, 1987 soliciting comments on Land Exchange Application, ADL 223175.

The Eagle River/Chugiak Parks and Recreation Board of Supervisors has reviewed subject correspondence and has no comments regarding the exchange. The Board thanks you for the opportunity to examine the materials.

Sincerely,

Chuck Michels, Manager
Eagle River/Chugiak
Parks & Recreation Division

CEM/ej



Alaska State Legislature

Senate

Miley
cc to Tom
for wife

Official Business

SENATOR RICK UEHLING

P.O. BOX V
State Capitol
Juneau, Alaska 99811

Senate Finance
Committee

February 21, 1987

Tom Hawkins, Director
Division of Land and Water Management
Department of Natural Resources
P.O. Box 107005
3601 C Street
Anchorage, AK 99510

RECEIVED
FEB 25 1987
DLWM
Director's Office

Dear Tom,

I wanted to make a brief comment on the proposed land exchange between the State and Eklutna Inc. (ADL 223175).

I have no particular problems with the proposed exchange. However, I would like to see a clause included in the agreement, which would require the eventual owner of the parcel in Downtown Anchorage to seed or at least do some minimal landscaping on the property. The area is currently somewhat of an eyesore and until it is developed, it would be a drastic improvement if a little bit of effort went into improving the appearance of the sight.

Thank you for your consideration in this matter.

Best Regards,

Senator Rick Uehling

RU/mh



Anchorage *Star of the North*
Chamber of Commerce

RESOLUTION #87-03

EKLUTNA LAND TRANSFER

- WHEREAS, the Native village corporation of Eklutna, Inc. is the present owner of 3,680 acres of Eagle River wetlands and adjacent property along the Eagle River corridor; and
- WHEREAS, the state of Alaska has expressed a desire to acquire those lands to be used as an extension of the Chugach State Park to promote tourist and recreational activity along that corridor which will run through the Municipality of Anchorage; and
- WHEREAS, the state of Alaska is financially unable to build and maintain a State office building on two square blocks of downtown Anchorage property which it owns located between Fifth and Sixth Avenues and Cordova and "A" Streets, and it is therefore beneficial that these two blocks be commercially developed by the private sector; and
- WHEREAS, the state of Alaska and Eklutna, Inc. wish to exchange these tracts of nearly equal value for one another following legislative approval; and
- WHEREAS, Eklutna, Inc. wishes to develop a recreational resort on an 103-acre tract of land abutting the proposed Eagle River Greenbelt; and
- WHEREAS, the recreational resort is expected to create hundreds of full time jobs and bring millions of dollars of outside construction capital to Anchorage; and
- WHEREAS, this recreational resort is one half mile from the proposed location for the 1994 Olympic luge, bobsled and downhill ski jump planned for Hilland Mountain in Eagle River; and

RESOLUTION 87-03
EKLUTNA LAND TRANSFER
Page Two


WHEREAS, Eklutna, Inc. wishes the resort to offer downhill skiing on Hiland Mountain and the adjoining Gordon Lyon Mountain; and

WHEREAS, the majority ownership of each of these mountains is held by the state of Alaska; and

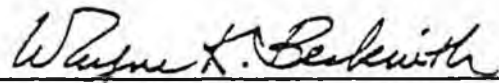
WHEREAS, a world class resort and the use of these mountains for downhill skiing would contribute to our Olympic effort and attract a new tourist market from Europe and Japan;

NOW, THEREFORE, BE IT RESOLVED, that the Anchorage Chamber of Commerce supports and encourages the state of Alaska and Eklutna, Inc. to consummate the equal value land exchange and further encourages the state of Alaska to provide the opportunity for the commercial use of the State held mountains adjacent to the proposed Hiland Mountain resort for downhill skiing.

APPROVED BY THE Anchorage Chamber of Commerce Board of Directors this 6th day of February, 1987.



Ken Calhoon, President



Wayne K. Beckwith, Executive
Vice President

