

Submitted by: Assemblymembers TESCHE, Abney, Traini,
Tremaine, Van Etten
Prepared by: Assembly Office
For reading: MAY 8, 2001

ANCHORAGE, ALASKA
AR 2001 - 146

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY REQUIRING
STUDY OF SAFETY, ENVIRONMENTAL, AND COMMUNITY PLANNING ISSUES
PRIOR TO APPROVAL OF A RAIL LOOP PROJECT AT THE PORT OF
ANCHORAGE.**

WHEREAS, Williams Alaska Petroleum, Inc., and Alaska Railroad Corp. have proposed an 8-acre tideland fill at the Port of Anchorage for construction of a rail unloading facility at Williams' Ocean Dock Road bulk fuel facility; and

WHEREAS, this project will be large enough for more than 100 rail cars to park at one time and construction of millions of gallons of additional bulk fuel storage, and is comparable in size to 16 city blocks, or half the size of Westchester Lagoon; and

WHEREAS, the Alaska Railroad and Williams Alaska plan to use gravel removed from adjacent to the Municipality's Hollywood Vista property, potentially diminishing the value of this property and disrupting the quality of life for nearby residents; and

WHEREAS, the proposed Rail Loop Project raises legitimate concerns regarding:

- The environmental impact of the fill itself;
- The quality and potential contamination of the fill;
- The potential of fuel spills in Cook Inlet;
- The attendant impact of spills, or of the fill itself, on the Cook Inlet beluga whale population which uses the area, and the similar impact on the Ship Creek salmon fishery;
- The potential alteration in sediment disposition in the mouth of Ship Creek, and the Ship Creek Point boat facility the fill may create; and

WHEREAS, the potential impact of increased noise, fuel odors, fire, or spills on adjoining land owners and mitigation thereof has not been independently evaluated; and

WHEREAS, the hazards and potential hazard mitigation associated with construction of the project in a high seismic hazard area have not been independently evaluated; and

WHEREAS, the project's impact on the downtown viewshed is likely to be substantial, and the potential effect on the visitor industry and associated reduction in property values has not been evaluated; and

2
3 WHEREAS, for the project to go ahead, the Municipality must first relinquish a lease
4 interest in a portion of the tidelands to be filled, which disposal would require Assembly
5 approval; and
6

7 WHEREAS, the Assembly believes a Conditional Use Permit is required for further
8 gravel mining from the Hollywood Vista Slope; and
9

10 WHEREAS, the Municipality, the fuel industry, and the Government Hill Community
11 Council currently are engaged in a cooperative hazard assessment and mitigation study of fuel
12 storage and handling activities at the Port of Anchorage, the completion of which is not expected
13 until the end of 2001; and
14

15 WHEREAS, for the fill to go ahead, the Corps of Engineers must first issue a permit, and
16 will accept public comment and comments from relevant resource agencies prior to deciding on
17 the permit and conditions thereof.
18

19 NOW, THEREFORE, the Anchorage Assembly resolves:
20

21 Section 1. That the Municipality shall relinquish no lease interest in land for the purpose
22 of the Loop Rail Project until the following conditions have been satisfied:
23

- 24 A. Completion of the ongoing Hazard Assessment and Mitigation Study;
25
26 B. Completion of a full environmental assessment or environmental impact
27 statement, whichever is appropriate, on the impacts of the project on wildlife, fish,
28 and sediment movement caused by the project, with particular emphasis on the
29 beluga whale and Ship Creek salmon fishery;
30
31 C. Approval of a seismic analysis of the project by the Geotechnical Advisory
32 Commission; and
33
34 D. Independent analysis and approval of operating conditions or other mitigation
35 measures to address noise, odors, light, and viewshed impacts of the project on
36 the Government Hill and Downtown areas, to be approved after a full public
37 hearing site plan review by the Planning and Zoning Commission.
38

39 Section 2. That the Municipality shall issue no building permit for the subject project
40 without completion of the conditions in Section 1 above.
41

42 Section 3. That the Municipality shall issue no Coastal Zone Management Plan
43 Consistency finding without completion of the conditions in Section 1 above.
44

45 Section 4. That the Municipal Clerk shall forward this resolution to the Board of Directors
46 of the Alaska Railroad Corporation, with a letter informing the railroad that a new Conditional
47 Use Permit is required for gravel extraction from the Hollywood Vista Slope.
48
49

Section 5. That the Municipal Clerk shall forward this resolution to the U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, Alaska Division of Governmental Coordination, and Alaska Department of Fish and Game, with a letter requesting a full investigation, assessment or impact statement of the environmental concerns addressed herein prior to issuance of a fill permit, and further requesting scheduling of full public hearings on this project.

PASSED AND APPROVED by the Anchorage Municipal Assembly on this ____ day of _____, 2001.

Chair

ATTEST:

Municipal Clerk

Background Information

The Williams Petroleum Rail Loop Project

Description

Williams Petroleum seeks to place 8 acres of fill in Cook Inlet at its bulk fuel facility on Ocean Dock Road so it can install a two-track railroad loop capable of holding more than 100 rail tank cars as they are unloaded. Gravel for the project would come from the portion of the Hollywood Vista Apartment site owned by the Alaska Railroad on the eastside of Government Hill. In the future, Williams also plans to build on the fill six bulk fuel tanks with a combined capacity of 2,016,000 gallons of product. The project area is immediately adjacent to the Government Hill neighborhood and extends into the downtown viewshed toward Mt. McKinley. Williams expects to place the fill this summer.

Project Benefits

- The project will allow Williams to no longer lease a rail car loading rack from Tesoro Alaska Petroleum by bringing all of its rail car handling onto its own property.
- Road/rail crossings to the Tesoro rack could be decreased if Tesoro does not use its rack in the future.
- Williams' executives have indicated the increased efficiency from the project will pay back their multi-million dollar investment in five years.

Project Risks

- The project brings more fuel loading activities closer to the Government Hill neighborhood, with the associated risk of fire, air and noise pollution. A hazard study on bulk fuel operations at the Port of Anchorage has been funded, but will not be complete until after the Williams fill project is complete.
- The additional tankage will substantially increase the fuel storage capacity near the neighborhood. Williams has said it might remove other tanks near the neighborhood if it builds new ones, but will make no commitment to do so.
- Williams does not plan dikes or other containment around the rail loop at water's edge, so tank cars that tip, possibly in a domino fashion, would spill into Cook Inlet.
- The fill area is a high seismic hazard zone susceptible to ground failure. In an earthquake, rail cars could topple and spill and tanks could fail.
- The large amount of fill affects an area used by Cook Inlet beluga whales.
- Altered movement of Inlet sediments or erosion of fill taken from the contaminated Hollywood Vista site could affect Ship Creek salmon spawning.
- Views toward Mount McKinley from downtown Anchorage will be permanently marred by the presence of bulk fuel tanks and long lines of tank cars, potentially affecting the value of tourism properties.
- Removal of additional gravel from Hollywood Vista will further diminish the value of the Municipality's adjacent property, representing a loss of more than \$2 million invested in the property from State grants and the Heritage Land Bank.

Process

Williams Petroleum needs a variety of approvals for its fill project. After the fill is in place, however, Williams will need relatively few approvals to build new tanks on the fill, and no public comment. The steps to place the fill include:

- Acquire a tidelands lease currently held by the Municipality for a portion of the area. Must be approved by the Assembly; not yet on the agenda.
- Receive a Conditional Use Permit from the Municipality for mining gravel from the Hollywood Vista area (previous permit expired). Not yet on P&Z agenda.
- Receive a U.S. Army Corps of Engineers permit for placing the fill in navigable waters, with consultation from the U.S. Fish and Wildlife Service. Public comment period closes May 7.
- Receive permits from State of Alaska resource agencies through a process managed by the Division of Governmental Coordination. Public comment closes mid-May.
- Receive a Coastal Zone Management Plan consistency finding showing the project complies with the Anchorage plan. Expected mid-May.
- Receive a building permit from the Municipality.

Recommendations

The Williams Rail Loop Project will permanently set land use and industrial patterns. Yet the project is on a fast-track and has received virtually no public attention. The attached resolution will require answers to significant questions about the hazards and advisability of the project before it goes ahead. Among the provisions, the resolution would:

- 1 Postpone the Municipality from releasing its land lease for the Williams project, issuing a building permit or a Coastal Zone Management finding until completion of the hazard study, environmental studies, a seismic analysis, and study of community planning and operational issues.
2. Inform the Alaska Railroad that a conditional use permit is needed for the Hollywood Vista gravel mining project.
3. Forward the Assembly's concerns about the need for additional study to the agencies responsible for protecting the environment, and requesting public hearings on these issues.

**Municipality of Anchorage
MUNICIPAL CLERK'S OFFICE
AGENDA DOCUMENT CONTROL SHEET**

Ar 2001-146

1	SUBJECT OF AGENDA DOCUMENT	DATE PREPARED	<i>5-1-01</i>
	<i>Port of Anchorage Rail Loop Project</i>	INDICATE DOCUMENTS ATTACHED	
		<i>AR Attachment</i>	
2	DEPARTMENT NAME Assembly	DIRECTOR'S NAME Fay Von Gemmingen	
3	THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY		HIS/HER PHONE NUMBER 4751
4	COORDINATED WITH AND REVIEWED BY	INITIALS	DATE
	Mayor		
	Heritage Land Bank		
	Merrill Field Airport		
	Municipal Light & Power		
	Port of Anchorage		
	Solid Waste Services		
	Water & Wastewater Utility		
	Municipal Manger		
	Cultural & Recreational Services		
	Employee Relations		
	Finance, Chief Fiscal Officer		
	Fire		
	Health & Human Services		
	Office of Management and Budget		
	Management Information Services		
	Police		
	Planning, Development & Public Works		
	Development Services		
	Facility Management		
	Planning		
	Project Management & Engineering		
	Street Maintenance		
	Traffic		
	Public Transportation Department		
	Purchasing		
	Municipal Attorney		
	Municipal Clerk		
	Other		
5	SPECIAL INSTRUCTIONS/COMMENTS		
	<i>For Action T.C.</i>		
6	ASSEMBLY MEETING DATE	7	PUBLIC HEARING DATE REQUESTED
	<i>5-8-01</i>		

