

Submitted by: Assemblymembers TESCHE, VAN  
ETTEN, FAIRCLOUGH  
Prepared by: Department of Assembly  
For reading:

ANCHORAGE, ALASKA  
AR NO. 2001-336 AS AMENDED

A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY APPROVING  
COMMON STATE LEGISLATIVE PRIORITIES BETWEEN THE MATANUSKA-SUSITNA  
BOROUGH AND THE MUNICIPALITY OF ANCHORAGE FOR THE YEAR 2002.

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WHEREAS, the legislative sessions for 2002 will convene in January 2002; and

WHEREAS, the Matanuska-Susitna Borough and Municipality of Anchorage share  
a regional economy; and

WHEREAS, to ensure that urgent regional needs are met, the two Assemblies wish  
to set common State legislative priorities for the year 2002.

NOW, THEREFORE, BE IT RESOLVED, that the Anchorage Municipal Assembly  
hereby sets the following common State legislative priorities between the Matanuska-  
Susitna Borough and the Municipality of Anchorage for the year 2002:

- 1     **Long-Range Fiscal Plan**
2.     Education Funding
3.     Education Capital Project Criteria
4.     GARVEE Bond Initiative
5.     DOT & PF Operating and Maintenance Budget
6.     Adoption of a Bi-Annual State Budget
7.     Fully Fund Capital Grant Matching Program
8.     Continued State Support of Safe Communities and Revenue Sharing  
Program
9.     Urban Interface Wild Land Fire Prevention
10.    South-Central Alaska Energy Plan
- 11    Glenn Highway Illumination


4 12. Commuter Bus Study  
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6 13. Marine Highway System  
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8 14. Senior Citizen Exemption Eligibility Criteria and Full Funding  
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10 15. Support of Senate Bill 209, Authorizing the Alaska Railroad to Lease Land  
11 for 55 Years  
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13 PASSED AND APPROVED by the Anchorage Assembly this 20<sup>th</sup> day of November,  
14 2001  
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18 \_\_\_\_\_  
19 Chair  
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21 ATTEST:  
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26 Municipal Clerk  
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➤ State Legislation

**Education Funding**

Quality education allows Alaska's children and young adults to become productive members of society. Moreover, a quality educational system is a primary requirement for attracting new businesses and industries to Alaska. To ensure that Alaska's next generation are properly prepared for entry into the workforce and to help create new employment opportunities both municipalities request full funding and inflation proofing of the state's education program.

- **Education Capital Project Criteria**

The current capital project criteria used to determine the funding eligibility for new schools results in overcrowding, wasted financial resources, and delays in needed new construction starts. Due to the existing criteria, many students spend the school year in over crowded conditions and temporary "portable" buildings, which detract from the educational experience. The municipalities of Anchorage and the Mat-Su Borough support modifications to the educational capital project criteria that will make it easier to construct new schools to address over crowded conditions.

**GARVEE Bond Initiative**

The GARVEE bond initiative will provide additional financial resources to improve the statewide surface transportation system by utilizing annual federal transportation program receipts to retire bonded indebtedness. As the state's transportation system is in great need of repair and upgrade, the municipalities of Anchorage and the Mat-Su Borough support passage of the GARVEE bond package.

- **DOT&PF Operating and Maintenance Budget**

The South-central Region of the Department of Transportation and Public Facilities (DOT&PF) contains the majority of Alaska's population as well as a majority of its motor vehicles and road mileage. The South-central region is also the State's primary transportation hub and its major regional economy. It is vital that DOT&PF's operating and maintenance budget is fully funded so that the region's transportation system and its roads in particular are properly maintained and responses to inclement weather are met in a timely manner.

**Adoption of a Long Range Fiscal Plan and Bi-Annual Budget**

Many state and local governments in the United States, including many in Alaska, have adopted multi-year fiscal plans and budgets. The principle benefits of multi-year fiscal plans and budgets are:

- consideration of long-term objectives,
- promotes consideration of how large expenditures should be managed,
- reduces work hours dedicated to budget development thereby allowing a reallocation of resources to monitoring, analysis and innovation,
- links capital and operating expenditures, and
- improves financial management.

Besides the missed opportunities resulting from not adopting a bi-annual or multi-year budget the current annual budget process creates a large level of fiscal uncertainty at the local level. Rather than focusing on service effectiveness and efficiency at the state and local level the State's current budget process redirects a large amount of resources to working on an annual budget. The municipalities of Anchorage and the Mat-Su Borough recommend that the State of Alaska adopt, at a minimum, a bi-annual budget in order to reduce uncertainty and to allow for more prudent financial management.

- **Capital Grant Matching Program**

The State's capital grant matching program provides needed financial assistance to local governments seeking to complete important capital projects. The capital grant matching program provides for the replacement of ambulances, road improvements, community center and library construction and a host of other important local projects. The municipalities of Anchorage and the Mat-Su Borough support the continued funding of the state capital grant matching program.

**Continued State Support: Safe Communities and Revenue Sharing Programs**

The State's south-central population continues to grow at an above average rate placing additional pressure on the local governments to provide basic services, particularly education and road maintenance. The municipalities of Anchorage and the Mat-Su Borough support the full funding of the Safe Communities and Revenue Sharing program.

- **Urban Interface Wild Land Fire Prevention**

Most of the forest in south-central Alaska is over mature, diseased and infected with spruce bark beetle. Moreover, much development is now interspersed within these forests. These forests are highly susceptible to forest fires, which present a major threat to life and property. The municipalities of Anchorage and the Mat-Su Borough support full funding of an urban interface wild land fire prevention program in order to protect the lives and property within south-central Alaska.

**South-central Alaska Energy Plan**

Recent reports suggest that south-central Alaska will face a natural gas shortfall late in this decade. In order to maintain a strong regional economy it is critical that ample and affordable energy supplies are located and brought to market in time. The municipalities of Anchorage and the Mat-Su Borough support state funding of an energy plan for south-central Alaska that identifies new energy supplies, including hydroelectric, and the financial resources necessary to bring these supplies to market.

**Glenn Highway Illumination**

Only a few segments of the Glenn Highway are presently illuminated which reduces safety during inclement weather and during moose migration periods. Illuminating the entire length of the Glenn Highway between Anchorage and the George Parks Highway intersection during the long hours of winter will greatly improve safety for the traveling public. Both municipalities request that the Glenn Highway be illuminated in its entirety from Anchorage to the intersection

with the George Parks Highway. The responsibility for operating and maintaining the street lighting should remain with the Department of Transportation and Public Facilities.

#### **Commuter Bus Study**

Over 30% of the Matanuska-Susitna Borough's employed labor force commutes to Anchorage on a daily basis. A significant number of Anchorage's employed labor force also commute to Borough. Reducing the number of commuter based auto traffic would reduce congestion and improve air quality in the region. A recent study completed by the Alaska Railroad found that commuter rail would require a significant financial subsidy to operate yet only a small number of existing commuters would avail themselves of the service. A lower cost option with a potentially higher level of service may be provided by commuter bus service thereby achieving reduced congestion and improved air quality goals. Both municipalities request the funding of a commuter bus study to determine if this transit option achieves the goals of reducing congestion and improving air quality while being financially affordable.

#### **Marine Highway System**

The Marine Highway System is the principle transportation system for communities in southeast Alaska where it substitutes for a surface transportation system. This system like its surface transportation counterpart requires adequate funding to ensure community growth and support economic development. The municipalities of Anchorage and the Mat-Su Borough support full funding of the Alaska Marine Highway System's operating and maintenance program. The Marine Highway System should also be extended to Upper Cook Inlet.

- **Senior Citizen Exemption Eligibility Criteria and Full Funding**

Encouraging our senior citizens to remain in Alaska remains an important goal. The senior citizen exemption program is one way of encouraging seniors to remain in Alaska through a financial incentive. It would be helpful to standardize the State's eligibility criteria so as to eliminate confusion and reduce fraud. The program has also not been fully funded creating a financial concern at the local level and fostering an unhealthy situation where one class of property tax payers subsidizes another. Both municipalities support improvements to the existing senior citizen exemption program by establishing eligibility criteria that is similar to the Permanent Fund's eligibility criteria and by the State fully funding this important program.

#### **Support of Senate Bill 209**

Authorizing the Alaska Railroad to lease land for 55 years (see attached Sponsor Statement)

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## **Sponsor Statement - SB 209**

SB 209 extends the length of time the Alaska Railroad Corporation (ARRC) can lease lands within its Anchorage, Fairbanks, Seward and Healy Terminal Reserves before reserving a right to terminate the lease if the land is subsequently needed for railroad purposes.

This change in statute will help cultivate economic development in Alaska communities along the railbelt by making commercial and residential development on certain Alaska Railroad lands more viable.

The ARRC's current statutory limit is a 35-year. On any lease with a term longer than 35 years, an option to extend leases beyond 35 years must include the termination clause. This clause allows the ARRC to terminate any lease after 35 years in the event the land is needed for railroad purposes.

While the 35-year lease limit is adequate for most of ARRC's tenants, it represents an obstacle in leasing lands to large commercial and residential developers who need to secure long-term financing for their investments. Financial lenders are reluctant to invest in large-scale projects requiring substantial equity participation when there is no guarantee the land will be available beyond 35 years.

The 35-year lease limit and termination clause are viewed as restrictive and have had a chilling effect on commercial as well as residential development on ARRC lands. For example, Anchorage Neighborhood Housing, Inc. is working on the development of a 20-unit senior housing complex on ARRC property located in the Government Hill area. Housing for this project would be developed utilizing Housing and Urban Development (HUD) 202 senior housing funds. However, to be eligible for financing HUD requires a 50-year lease period.

SB 209 would promote economic development and job opportunity for Alaskans by allowing greater ease in developing real estate in many railbelt communities. It would also make ARRC's leasing practices more consistent with other state agencies. The University of Alaska and the Department of Natural Resources can both lease land for up to 55 years.

The proposed extension of allowable lease term is supported by the Anchorage Historic Properties, Anchorage Neighborhood Housing Services, Mel Tipton (Ship Creek tenant and commercial developer), Northrim Bank, AIDEA, Yukon Fuel and Kantishna Holdings, Inc.

**MUNICIPALITY OF ANCHORAGE  
MUNICIPAL CLERK'S OFFICE  
AGENDA DOCUMENT CONTROL SHEET**

*Apr 2001 - 336*

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

<b>1</b>	SUBJECT OF AGENDA DOCUMENT <i>Joint State Legislative Priorities w/ Mat-Su Borough for 2002</i>	DATE PREPARED <i>11-19-01</i>
		Indicate Documents Attached <input type="checkbox"/> AO <input checked="" type="checkbox"/> AR <input type="checkbox"/> AM <input type="checkbox"/> AIM
<b>2</b>	DEPARTMENT NAME <i>Assembly</i>	DIRECTOR'S NAME <i>G. Moyer</i>
<b>3</b>	THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY <i>G. Moyer</i>	HIS/HER PHONE NUMBER <i>x 4755</i>
<b>4</b>	<b>COORDINATED WITH AND REVIEWED BY</b>	<b>INITIALS</b>
	Mayor Municipal Clerk Municipal Attorney Employee Relations Municipal Manager Cultural & Recreational Services Fire Health & Human Services Merrill Field Airport Municipal Light & Power Office of Management & Budget Police Port of Anchorage Public Works Solid Waste Services Public Transportation Water & Wastewater Utility Executive Manager Community Planning & Development Finance, Chief Fiscal Officer Heritage Land Bank Management Information Systems Property & Facility Management Purchasing Other	
<b>5</b>	SPECIAL INSTRUCTIONS/COMMENTS <div style="text-align: right;"><i>Addendum</i></div> <div style="text-align: center; margin-top: 20px;"><i>For Action 9.B</i></div>	
<b>6</b>	ASSEMBLY HEARING DATE REQUESTED <i>11-20-01</i>	<b>7</b>
		PUBLIC HEARING DATE REQUESTED

M.O.A.  
 2001 NOV 19 PM 1:03  
 CLERK'S OFFICE