

Remote Recreational Cabins Survey and Appraisals**FY2005 Request:****\$550,000****Reference No:****38480****AP/AL:** Appropriation**Project Type:** Planning**Category:** Natural Resources**Location:** Statewide**Contact:** Bob Loeffler**House District:** Statewide (HD 1-40)**Contact Phone:** (907)269-8425**Estimated Project Dates:** 07/01/2004 - 06/30/2009**Brief Summary and Statement of Need:**

This CIP authorizes DNR to appraise and contract for surveys of Remote Recreational Cabin properties. This program contributes to the development of Alaska's land through the transfer of land into private ownership. This CIP authorizes DNR to spend money already being collected from applicants. Remote Recreational Cabins is a stake-it-yourself program. After applicants stake their parcels, DNR issues a lease and collects lessee's money to pay for surveys and appraisals. DNR contracts with one survey firm and one appraiser to survey/appraise multiple parcels, thereby ensuring that surveys are coordinated, completed, and done efficiently. An estimated 125 parcels will be staked in FY 05.

Funding:	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	Total
State Land	\$550,000	\$577,500	\$605,900	\$636,200	\$668,000	\$701,000	\$3,738,600
Total:	\$550,000	\$577,500	\$605,900	\$636,200	\$668,000	\$701,000	\$3,738,600

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
<u>One-Time Startup:</u>	0	
Totals:	0	0

Additional Information / Prior Funding History:

SLA03/CH82 - \$430,000

The Remote Recreational Cabin Program was initially funded through Chapter 63 SLA 00. In FY 01-03, DNR received approximately \$430,000/year from the operating budget to conduct the program. This did not include the money need for surveys and appraisals of parcels (see explanation below). In FY 04, DNR was appropriated \$430,000 in the CIP budget to pay for survey and appraisal costs in FY 04.

Project Description/Justification:

The Remote Recreational Cabin Sites land sale program was established in statute (AS 38.05.600) in 1997. The program was initially not funded. In FY 01, the program was funded through Ch. 63 SLA 00 (SB 283) as part of the Land Disposal Income Fund. The fiscal note for Ch.63 SLA 00 included revenue from the sale of remote recreation properties and funded the personal services and other administrative costs for the program, but did not authorize the expenditure of the money for survey and appraisal. DNR initially proposed to receive and spend the money for these services as deposits under AS 38.05.860, therefore this revenue and these expenditures were not included in the Land Disposal Income Fund or the Fiscal Note accompanying the fund. DNR subsequently concluded that, for a variety of administrative and accounting reasons, these funds couldn't be received as deposits under AS 38.05.860.

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DNR requests this CIP to spend the remote recreation cabin program deposits that we are already receiving to pay for survey and appraisal. DNR is already billing the purchasers for these costs, with the money going into the Land Disposal Income Fund. Although the receipts from the public come in over a three-year period when the initial expenditures go out in one year. Survey and appraisal costs are generally incurred in the year following the staking period. In FY 05, we expect to spend about \$550,000 on these surveys and appraisals for parcels staked in FY 04. This will increase to \$701,000 in FY 10, as more parcels are offered under the program and allowing for a yearly 5% increase in costs due to inflation, personnel costs and other factors.

- ? *Does project meet constitutional or statutory responsibility?* Yes – Constitution requires settlement of state lands (Article VIII, Section 1), the program is authorized by statute (AS 38.05.600).
- ? *Does project generate revenue for the state?* Yes, the program generates revenue through leases and eventual sales, and the income is deposited in the Land Disposal Income Fund.
- ? *If yes, how and identify specific revenue estimates.* Revenue will equal expenditures.
- ? *Does project create on-going private sector jobs?* Survey work will be done by the private sector under contract to DNR.

Why is this Project Needed Now:

The project is needed now because the program is already authorized by the legislature and parcels need to be surveyed and appraised within three years of lease issuance (by regulation, 11 AAC 67. If program is not funded, survey and appraisal costs for parcels offered in FY 02, 03 and 04 will need to be paid from operating budget, and DNR will not be able to offer parcels under this program in future years.

Specific Spending Detail:

(Identify in dollars by line item; Describe in detail what products/services will be purchased.)

Line Item Expenditures (for six years): (Yearly figures represent estimate of 5% cost increase over each previous year).

Personal Services \$40,000
 Travel \$ 8,000
 Contractual Services \$500,000
 Supplies \$2,000
 Equipment \$0

Line Item Detail Description:

Personal Services – 5 months Appraiser I, 3 months Appraiser II
 Travel – field inspections of parcels for appraisals
 Contractual Services – contracts for land surveys of staked parcels
 Supplies –brochures, ads, postage, printing supplies
 Equipment –

Project Support: Public who has participated in remote recreational cabin program. Surveyors. Borough planning and platting authorities.

Project Opposition: None