

Land Sales - New Subdivision Development**FY2011 Request: \$3,600,000****Reference No: 38886****AP/AL:** Appropriation**Project Type:** Economic Assistance**Category:** Development**Location:** Statewide**Contact:** Leta Simons**House District:** Statewide (HD 1-40)**Contact Phone:** (907)465-3379**Estimated Project Dates:** 07/01/2010 - 06/30/2012**Brief Summary and Statement of Need:**

This would authorize DNR to propose, design and develop new subdivisions. New subdivisions require surveys, appraisals, wetlands delineations, topographical surveys, archaeological surveys, field inspections, access location, road building and rights-of-way brushing. DNR intends to offer new parcels for sale in FY14, FY15 and FY16. The land sales program contributes to the development of state land, gives Alaskans throughout the state an opportunity to purchase land, puts money into the private sector through service contracts and creates an income base for the State. Making state land available for private ownership by individual Alaskans is part of DNR's core mission.

Funding:	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>Total</u>
State Land	\$3,600,000						\$3,600,000
Total:	\$3,600,000	\$0	\$0	\$0	\$0	\$0	\$3,600,000

<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
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

SLA 09/CH 15	\$3,500,000	Implemented/ongoing
SLA 08/CH 29	\$2,614,000	Ongoing
SLA 07/CH 30	\$1,000,000	Ongoing
SLA 06/CH 82	\$1,790,000	Ongoing
SLA 05/CH 3	\$1,410,000	Complete
SLA 04/CH 159	\$1,975,000	Complete

Project Description/Justification:

At Statehood, Alaska received a large grant of federal land. Alaska's Constitution and AS 38.04 and AS 38.05 require the State to make some of this land available for settlement purposes. DNR makes state land available for settlement by transferring land into private ownership through several programs, including auctions of pre-surveyed lands. This would fund capital expenditures (primarily road and access improvements, land surveys and appraisals, and other development costs) required to develop new subdivisions.

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In addition to meeting constitutional and statutory requirements to make land available, land sale programs are popular with the public. Parcels, with newly built roads, have a high purchase rate and there has been noteworthy interest in water front parcels.

The value of the land DNR sells will increase by providing access; this brings increased revenue to the state. This will be paid through revenues from existing land sales. In addition to providing land for private ownership and settlement, these land sales have contributed revenue to the state. Revenue from state land sales over the past seven years (FY02-FY08) has averaged \$6.4 million. In order to maintain this revenue trend, the state must continue to develop new subdivisions to sell.

It generally takes three to five years to develop subdivisions for sale to the public. The first year or two of that process generally does not require significant capital expenditures, as DNR is identifying the land for sale, preparing best interest findings and public notices. These first year activities are largely funded through the operating budget. Once the project has gone through this public process, it then takes two or more years to develop the subdivision (site plan with soils analysis, wetland delineations, topological survey, archaeology investigation, flood zone determination, survey/monumentation, plat approval and appraisal) and additional time to build roads, if required. Because of the length of time to develop new subdivisions, CIP funds received for FY11 will go towards development of projects that will be sold primarily in FY14, FY15, FY16 and later years.

The following are potential subdivisions that may be funded. The specific projects may change because of public nominations, public comments, municipal platting or development issues.

Northern Region: Big Delta odd lots, Tok Triangle III, Goldmine Trail and Salmon Lake

Southcentral Region: One Thousand Skies, Prairie Home, Petersville, Mulchatna and Klutina

Southeast Region: Little Cole Bay and Kendrick

Why is this Project Needed Now?

If these funds are not available for FY11, then the land sale programs for FY14 and beyond will be reduced. Roads are required for subdivisions in most municipalities or boroughs, and surveys are required for all subdivisions, so without the CIP, DNR will only offer land for sale from previously funded projects, which would severely limit land offerings. If funding for the program in FY11 is not authorized, DNR will not be able to offer new parcels in subsequent years, will fail to meet its mandate to offer new lands for sale and will receive less revenue for the State.

Specific Spending Detail:

<u>LINE ITEM</u>	<u>DOLLAR AMOUNT</u>	<u>DESCRIPTION (text)</u>
Personal Services	\$231,000	Two long-term non-perm staff, three interns, and staff overtime for field duty in support of program
Travel	\$75,000	Field inspections of parcels and project areas for appraisals, surveys, planning and development
Contractual Services	\$3,294,000	Contracts for land surveys, road construction, appraisals, cleanups and other development costs

Project Support:

The land sales program is supported within Alaska by Alaskans who participate in the program and those who support the state’s mission to make land ownership available to Alaskans. In addition, other participants in the program support the land sale program such as surveyors, contractors, borough and municipal planners and platting authorities.

Project Opposition:

Program does not experience opposition in general. DNR often encounters significant public opposition to specific land sale proposals, often by people who live in or currently use the area.