

**Remote Recreational Cabins Survey and Appraisals****FY2006 Request:****\$577,500****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:** 07/01/2005 - 06/30/2009**Brief Summary and Statement of Need:**

DNR appraises and contracts for surveys of Remote Recreational Cabin Site 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 Rec Cabin Sites is a stake-it-yourself land sale program. After applicants stake their parcels, DNR issues a lease and collects lessee's money to pay for surveys and appraisals. At least 250 staking authorizations will be offered in FY 06, and an estimated 120 parcels will be staked in FY 06.

<b>Funding:</b>	<b>FY2006</b>	<b>FY2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>Total</b>
State Land	\$577,500	\$606,400	\$636,700	\$668,500	\$701,900	\$737,100	\$3,928,100
<b>Total:</b>	<b>\$577,500</b>	<b>\$606,400</b>	<b>\$636,700</b>	<b>\$668,500</b>	<b>\$701,900</b>	<b>\$737,100</b>	<b>\$3,928,100</b>

<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>	<u>0</u>	<u>0</u>
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Additional Information / Prior Funding History:**

SLA04/CH159 - \$550,000

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 could not be received as deposits under AS 38.05.860.

DNR requests this CIP to spend the remote recreation cabin sites program deposits that we are already receiving to pay for survey and appraisal. DNR is already billing the lessees for these costs, with the money going into the Land Disposal Income Fund, although the receipts from the lessees come in over a three-year period while the initial expenditures go out

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in one year. Survey and appraisal costs are generally incurred in the year following the staking period. In FY 06, DNR expects to spend about \$577,500 on the surveys and appraisals for parcels staked in FY 05. This will increase to \$736,500 in FY 11, as more parcels are created under the program and allowing for a yearly 5% increase in costs due to inflation, personnel costs and other factors.

- ? *Does the project meet constitutional or statutory responsibility?* Yes – The Constitution requires settlement of state lands (Article VIII, Section 1). The program is authorized by statute (AS 38.05.600).
- ? *Does the 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 the project create on-going private sector jobs?* Survey work will be done by the private sector under contract to DNR.
- ? *Describe the method used to estimate the total project cost.* Actual figures for surveys and appraisals conducted in FY 02, FY 03, and FY 04, estimates for FY 05.
- ? *Describe other alternatives considered.* The program initially proposed use of deposits paid to DNR by lessees for survey and appraisal work under AS 38.05.860. This is not feasible due to administrative problems, including that the lease deposits are collected over a period of 3 years; hence money cannot be received and spent in the same FY. The program also evaluated having individual lessees pay their own survey and appraisal costs; experience shows that this method has a much higher failure rate (people fail to follow through to arrange survey and appraisal) and costs lessees more (more efficient and less costly to survey and appraise the entire project area at once, rather than survey and appraise individual parcels spread out over time).

### 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 the program is not funded, survey and appraisal costs for parcels offered in FY 03, 04 and 05 will need to be paid from the operating budget, and DNR will not be able to offer this program in future years.

### Specific Spending Detail:

#### Line Item Expenditures

Personal Services \$70,350.

Travel \$10,500.

Services \$495,600.

Commodities \$1,050.

#### Line Item Detail Description:

Personal Services – per year: 7 months Appraiser I, 5 months Appraiser II

Travel – field inspections of parcels for appraisals

Services – contracts for land surveys of staked parcels

Commodities –brochures, ads, postage, printing supplies

### Project Support:

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

**Project Opposition:** None