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Walker orders stop to business buyout for proposed Knik Arm bridge

Dermot Cole

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The state transportation department said its attempt to use the power of eminent domain to force the owner to sell an Anchorage business in the path of the proposed Knik Arm Crossing came about because of a "misunderstanding" about the order from Gov. Bill Walker to stop spending money on the project.

"This issue has been resolved and the department will not be pursuing any right of way acquisitions until the administration has fully reviewed the Knik Arm Crossing project and further direction is provided," Department of Transportation and Public Facilities spokesman Jeremy Woodrow said Tuesday. Walker called a halt to the eminent domain effort last week after he learned about it.

On Dec. 26, [Walker directed the agency to stop spending](#) on the Knik Arm bridge except for what is required by law or contract.

But nearly two weeks later, a department contractor sent a letter to Steve Adams, owner of the Subway franchise on Government Hill, warning the state would exercise its power to take the property for public use and pay him fair market value.

The Jan. 8 letter from HDR, the state contractor handling real estate issues for the proposed bridge, was copied to Judy Dougherty, DOT director of the Knik Arm Crossing project, as well as to the attorney general's office.

The Dec. 26 order from the governor said that spending on the proposed bridge and five other projects was to be stopped, including "new or additional expenses or obligations" and new contracts.

Anchorage Sen. Johnny Ellis, whose district includes Government Hill, said the Dec. 26 order was clear. He wrote Walker Thursday to say the letter was shocking and "offensive to both common sense and the good government practice of reserving the awesome power of eminent domain for only the most exceptional occasions." Ellis, a Democrat, said the Subway is a "thriving business," popular with neighborhood residents and those working and living on Joint Base Elmendorf-Richardson.

The Subway is on leased railroad land. The Jan. 8 letter said Adams, the Subway owner, had not responded to "numerous attempts" to discuss sale of his leasehold interest for the appraised value of \$529,200.

G.E. "Rick" Kauzlarich, senior project manager for real estate services for contractor HDR, wrote Adams there had been "no substantive response from you or your representatives regarding

this offer."

The matter had to proceed, he said, because of the schedule for the bridge. Kauzlarich said Adams had 14 days to respond before it would be turned over to the attorney general.

"In order to ensure the project's established schedule, we must now move forward with obtaining possession of the requisite land rights being sought through DOT&PF's power of eminent domain," Kauzlarich said.

A spokeswoman for Walker said the governor learned of the proposed eminent domain action last week and called a halt.

"The Government Hill neighborhood would like to sincerely thank Gov. Walker for his action. He took immediate steps to right a wrong," Stephanie Kesler, president of the Government Hill Community Council, said in a statement Tuesday.

Woodrow, the DOT spokesman, said the [state still intended that the Subway be allowed to remain in business](#) until the bridge neared construction.

The state has already acquired three duplexes and one former hotel as part of the right of way process for the bridge. They have yet to be demolished, but there is an existing contract to do so, Woodrow said.

Ellis said the move to acquire the Subway leasehold interest "continues a pattern of intimidation" begun by the Knik Arm Bridge and Toll Authority, the state entity that had been responsible for the bridge plan before the Legislature shifted management to the transportation department last year. He said bridge officials seems "to be motivated by creating a sense of

inevitability about to the project or to punish a neighborhood which has asked hard questions about the project's financing and viability."

About this Author

[Dermot Cole](#)

Columnist Dermot Cole, who lives in Fairbanks, has been a reporter, editor and author. For 40 years, he has written extensively about Alaska politics and history.

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