

MATANUSKA-SUSITNA BOROUGH INFORMATION MEMORANDUM IM No. 26-108

SUBJECT: AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY AUTHORIZING THE BOROUGH MANAGER TO CONVEY CERTAIN BOROUGH-OWNED EXCESS LAND FROM THE POINT MACKENZIE RAIL EXTENSION PROJECT TO THE STATE OF ALASKA FOR ECONOMIC DEVELOPMENT (TRACTS 10A AND 13A, POINT MACKENZIE TERMINAL RESERVE, PLAT NO. 2025-179, PALMER RECORDING DISTRICT) (CPD000296) .

AGENDA OF: June 2, 2026

Assembly Action: Adopted with Assemblymembers McKee and Nowers opposed 06/16/26 - BJH

AGENDA ACTION REQUESTED: Present to the Assembly for consideration.

Route To	Signatures
Originator	5 / 1 8 / 2 0 2 6 X S u z a n n e R e i l l y S i g n e d b y : S u z a n n e R e i l l y
Division Manager	5 / 1 8 / 2 0 2 6 X J o e M e t z g e r S i g n e d b y : J o e M e t z g e r
Department Director	5 / 1 8 / 2 0 2 6 X J i l l i a n M o r r i s s e y S i g n e d b y : J i l l i a n M o r r i s s e y
Finance Director	Recoverable Signature X C h e y e n n e H e i n d e l S i g n e d b y : C h e y e n n e H e i n d e l
Borough Attorney	5 / 1 9 / 2 0 2 6 X N i c h o l a s S p i r o p o u l o s S i g n e d b y : N i c h o l a s S p i r o p o u l o s
Borough Manager	5 / 1 9 / 2 0 2 6 X M i c h a e l B r o w n S i g n e d b y : M i c h a e l B r o w n
Borough Clerk	5 / 1 9 / 2 0 2 6 X B r e n d a J . H e n r y f o r S i g n e d b y : B r e n d a H e n r y

ATTACHMENT (S) : Fiscal Note (1 p)
Ordinance Serial No. 26-066 (3 pp)
Site Map (1 p)

SUMMARY STATEMENT: Staff respectfully recommends approval and adoption of Ordinance 26-066, which authorizes the Borough Manager to convey surplus land and property to the State of Alaska, at no cost, for economic development purposes. The property consists of Tracts 10A and 13A, as shown on Plat No. 25-179, comprising approximately 885 acres, along with associated farm residences and

farm-related structures.

The State of Alaska communicated its interest in the subject properties after receiving notices of interest from the Alaska Industrial Development and Export Authority (AIDEA) and the Alaska Railroad, each citing potential economic development opportunities.

Since the conveyance is to the State of Alaska, the ordinance here would be enacted notwithstanding other provisions of Borough code and procedures. This would forego public noticing, Best Interest Finding, and consideration.

If economic development is not achieved within five years of conveyance, the property will automatically revert to the Borough, contingent upon removal of the agricultural covenants.

The subject parcels were originally acquired as part of the Point MacKenzie Rail Extension (PMRE) project using State of Alaska grant funding. The parcels have been subdivided to separate the rail easement from the remaining lands, clearly distinguishing the transportation corridor from the remainder of the farm property.

Appraisals were conducted in 2023 valuing the excess land and structures at \$1,350,000 and \$1,297,000 respectively.

The remaining acreage:

- Is not required for PMRE purposes
- Remains subject to State agricultural covenants (AS 38.05.321)
- The excess land and buildings cost the Borough for utilities, maintenance, and management
- Leasing the property requires residential management which the Borough is not in the business to provide

If the Borough were to market and sell the parcels to private parties:

- The Borough would not realize net financial benefit from the sale since proceeds would return to the grant fund
- The Borough would incur time, cost, and administrative burden associated with marketing and disposal

Conveyance of the parcels to the State:

- Aligns ownership with the entity that imposed and enforces the agricultural covenants
- Eliminates Borough holding and maintenance obligations with no financial gain
- Supports long-term agricultural land management by the State or future economic development

In summary, the proposed conveyance, at no cost, of the subject parcels to the State of Alaska represents an efficient and practical

disposition of excess Borough land acquired through a State-funded project. Conveyance of the parcels to the State avoids unnecessary administrative costs and maintenance obligations while aligning ownership and future management with the State entity responsible for the agricultural covenants and potential future development opportunities.

RECOMMENDATION OF ADMINISTRATION: Respectfully request approval of Ordinance Serial No. 26-066, to convey the subject excess land to the State of Alaska at no cost.

MATANUSKA-SUSITNA BOROUGH

FISCAL NOTE

Agenda Date: 06/02/2026

SUBJECT: AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY AUTHORIZING THE BOROUGH MANAGER TO CONVEY CERTAIN BOROUGH-OWNED EXCESS LAND FROM THE POINT MACKENZIE RAIL EXTENSION PROJECT TO THE STATE OF ALASKA FOR ECONOMIC DEVELOPMENT (TRACTS 10A AND 13A, POINT MACKENZIE TERMINAL RESERVE, PLAT NO. 2025-179, PALMER RECORDING DISTRICT)(CPD000296).

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT YES NO
AMOUNT REQUESTED No funds being requested or earned	FUNDING SOURCE
FROM ACCOUNT #	PROJECT
TO ACCOUNT:	PROJECT #
VERIFIED BY: 5 / 1 9 / 2 0 2 6  L i e s e l Z a n t o S i g n e d b y : L i e s e l Z a n t o	

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL						
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REVENUE						
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FUNDING:

(Thousands of Dollars)

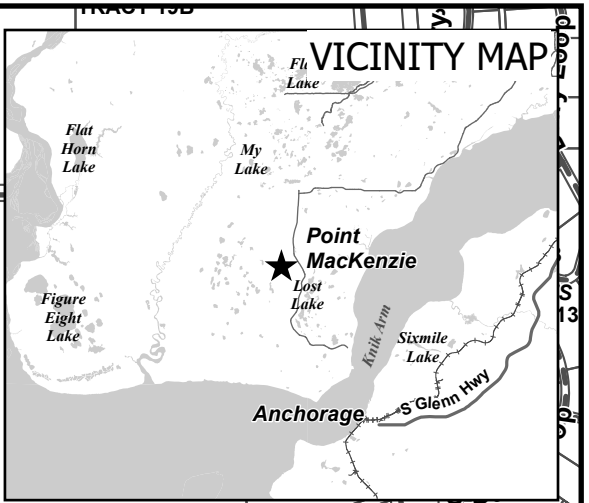
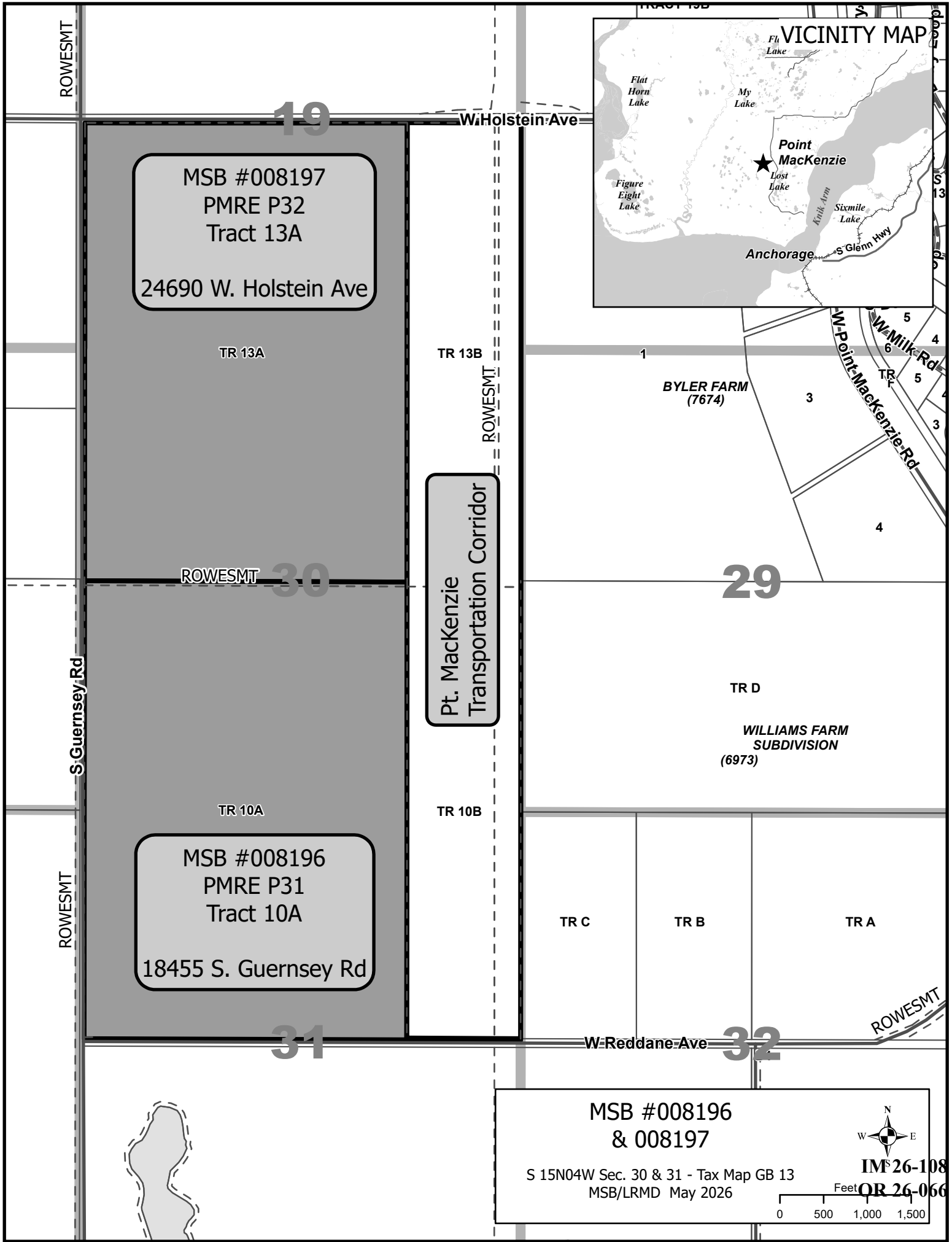
General Fund						
State/Federal Funds						
Other						
TOTAL						

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

APPROVED BY:	 Recoverable Signature
	 C h e y e n n e H e i n d e l S i g n e d b y : C h e y e n n e H e i n d e l



MSB #008196
& 008197

S 15N04W Sec. 30 & 31 - Tax Map GB 13
MSB/LRMD May 2026

IM 26-108
OR 26-066

Feet

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