

SUBJECT: AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY ESTABLISHING THE COLLEEN STREET SIGNALS ZONE 16-A AS A DIFFERENTIAL TAX ZONE WITHIN ROAD SERVICE AREA NO. 16, SOUTH COLONY ROAD SERVICE AREA.

AGENDA OF: August 7, 2018

ASSEMBLY ACTION:

*Adopted without objection
8-21-18*

MANAGER RECOMMENDATION: Introduce and set for public hearing.

APPROVED BY JOHN MOOSEY, BOROUGH MANAGER:

Route To:	Department/Individual	Initials	Remarks
	Originator	NS/TD	for Borough Manager
	Public Works Director	<i>TDL</i>	<i>24 July 18</i>
	Finance Director	<i>Cx</i>	
	Borough Attorney	<i>Sp for N.S.</i>	
	Borough Clerk		

ATTACHMENT(S): Fiscal Note: YES X NO
 Ordinance Serial No. 18-085 (2pp)
 Location map (1p)
 Conceptual Drawings (2pp)
 RSA 16 Resolution in Support (2pp)
 Letters of support (5pp)

Motion to amend something previously adopted (1pp)

SUMMARY STATEMENT: This ordinance is sponsored by the Borough Manager for the purposes of establishing a mechanism to pay for the operations and maintenance of a signaled intersection and the resulting signaled railroad crossing as part of the Glenn Highway upgrade project.

The State of Alaska, Department of Transportation (DOT) is upgrading the Glenn Highway between Palmer and the Parks Highway interchange. Safe and efficient access to industrial operations on parcels generally between Grandview Road and Outer Springer Loop would require a highway traffic signal. This signal, in turn, would necessitate a signalized railroad crossing at Colleen

Street. If DOT constructs the intersection without a traffic signal, it will limit Glenn Highway access to right turns in and out.

DOT has agreed to obtain right-of-way and construct the traffic signal and resulting railroad crossing signal as well as a frontage road to provide legal access to the industrial parcels between Grandview Road and Outer Springer Loop if the Borough agrees to maintain both signal facilities. The issue this presents is that the Matanuska-Susitna Borough does not exercise general areawide powers to operate and maintain signals. Thus, for the Borough to take the obligation, it needs to be done through the powers of Road Service Area No. 16 - South Colony Road Service Area (RSA 16). Providing for operation and maintenance of a traffic signal is not a normal and routine service provided by the Matanuska-Susitna Borough or RSA 16.

In this situation, the level of service provided by the traffic signal and resulting railroad crossing signal exceeds the normal level of service provided by RSA 16. The owners of the industrial parcels have advised the Borough they need the higher level of service provided by a traffic signal and signalized rail crossing to meet their business needs. These owners of the industrial parcels have requested the Borough establish a differential tax zone which includes their parcels to pay for two thirds of the cost of maintaining the higher level of service a traffic signal and signalized rail crossing provide. While RSA 16 currently does not provide traffic signals as a service, the Board of Supervisors has recommended that the RSA bear 1/3 of the cost of the service within the zone. The additional benefits aside from that requested by the specific parcels include efficient traffic flow, better road safety, and availability for future growth on both sides of the road in that area. With a service area tax, specific benefit need not be demonstrated, but these reasons illustrate how the cost sharing mechanism was derived.

The estimated annual operation and maintenance costs for these facilities is \$23,000. Two thirds of the estimated cost would amount to approximately \$15,333. With the current assessed values of the properties at issue, a mill rate of approximately 5.03 in a differential tax zone encompassing the proposed parcels would produce sufficient revenue to pay two thirds of the maintenance costs.

Attached to this informational memorandum are letters from 100% of the property owners to be included within the differential tax zone. Also attached is the map showing the parcels to be included. The zone consists of the parcels identified and any future subdivision or change in ownership or use does not affect the land area which is included in the zone. Also shown is that portion of

the entire width of the Glenn Highway right-of-way and railroad right-of-way adjacent to 4 of the parcels in the zone. These portions of the rights-of-way, including the widened right-of-way as a result of the DOT Glenn Highway expansion project, are included in the zone.

It is important to note that consent from the property owners within the zone is not required. The issue is whether to institute a differential property tax, not a special assessment. For example, some of the letters appear to place conditions or requirements on their request to initiate the zone. While the property owner's consent is not legally required, the letters show the political support from those landowners who will be subject to the tax.

Moreover, the only restriction by state law is that the taxes levied within a differential tax zone provide a service within that zone. No benefit to any parcel is required. Here, the signals will both be within the zone.

The mill rate in the differential zone will be just like all other mill rates in the Borough in that they are set by the Borough Assembly based upon the needs of the zone.

RECOMMENDATION OF ADMINISTRATION: Adoption of legislation.

MATANUSKA-SUSITNA BOROUGH
FISCAL NOTE

Agenda Date: August 7, 2018.

SUBJECT: AN ORDINANCE OF THE MATANUSKA SUSITNA BOROUGH ASSEMBLY ESTABLISHING THE COLLEEN STREET SIGNALS ZONE 16-A AS A DIFFERENTIAL TAX ZONE WITHIN ROAD SERVICE AREA NO. 16, SOUTH COLONY ROAD SERVICE AREA.

ORIGINATOR:

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <u>YES</u> NO
AMOUNT REQUESTED <u>*</u>	FUNDING SOURCE <u>Tax Revenues</u>
FROM ACCOUNT #	PROJECT #
TO ACCOUNT: <u>273.000.000.3xx, xx</u>	PROJECT #
VERIFIED BY: <u>Barbara Green</u>	CERTIFIED BY:
DATE: <u>7/25/18</u>	DATE:

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						
CAPITAL						
REVENUE		<u>*</u>				

FUNDING:

(Thousands of Dollars)

General Fund						
State/Federal Funds						
Other		<u>*</u>				
TOTAL		<u>*</u>				

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary) * Amount will be determined on mill rate.

PREPARED BY:

PHONE:

DEPARTMENT:

DATE:

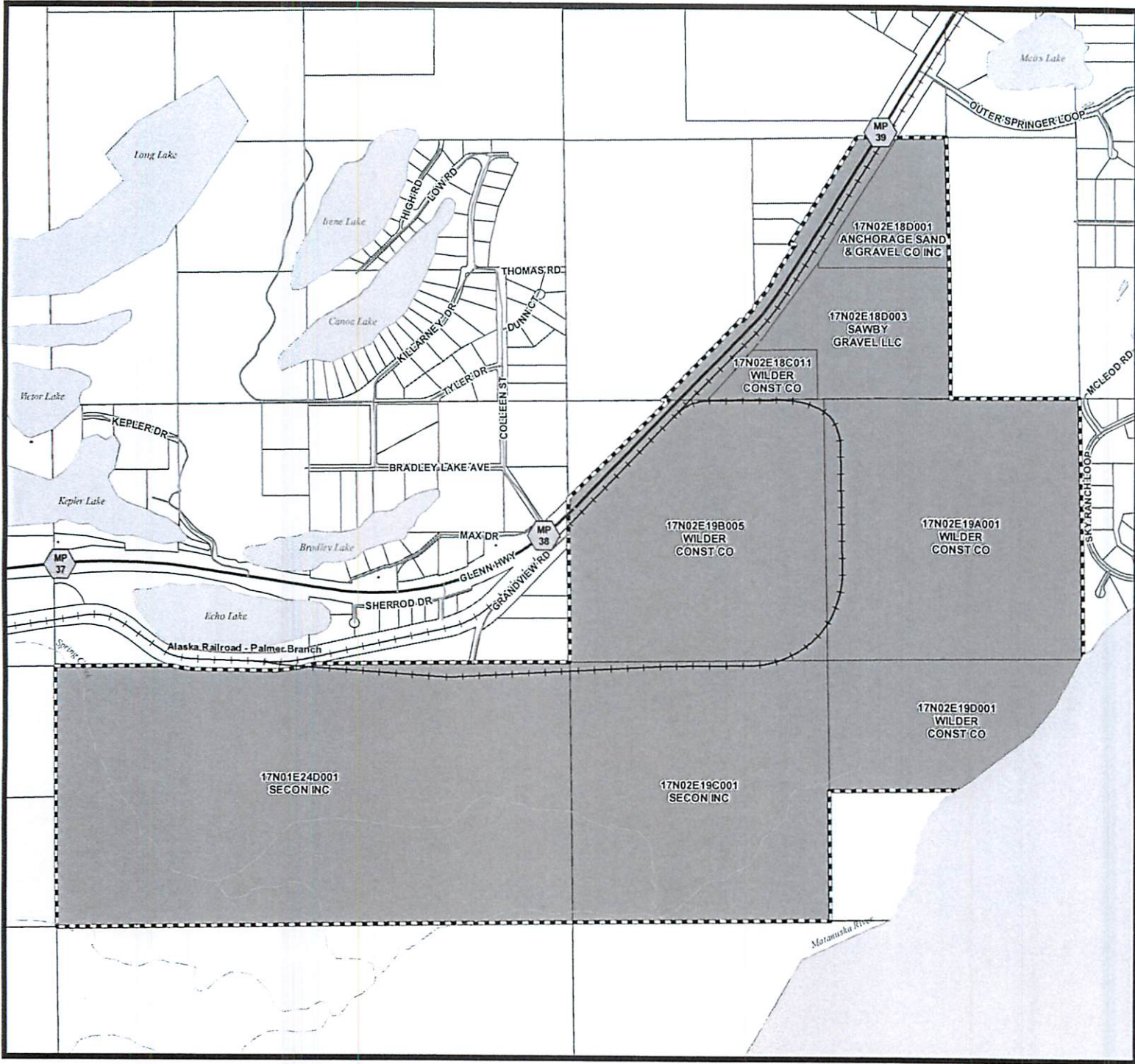
APPROVED BY:

DATE:

Chapman Smith

7/25/18

DM18-128
0218-085



Proposed Differential Tax Zone

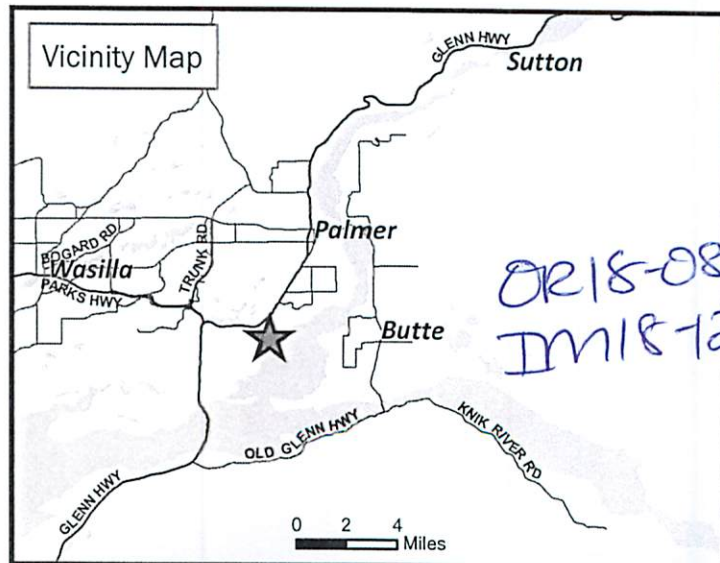
Legend

- Proposed Differential Tax Zone
- Parcel Boundaries


The Borough makes no express or implied warranties with respect to the character, function, or capabilities of the map or the suitability of the map for any particular purpose beyond those originally intended by the Borough. For information regarding the full disclaimer and policies related to acceptable uses of this map, please contact the Matanuska-Susitna Borough GIS Division at 907-861-7801.



0 500 Feet



OR 18-085
IM 18-128



Option 1:
Traffic signal at Colleen
Street with signalized rail
crossing and service drive to
industrial parcels.

OR
18-08
IM
18-
128

Option 2:

Collen intersection with no signals. Right turns in and out for industrial properties south of highway. No frontage road and no legal access for some parcels.

OR
18-085
IM
18-128

RESOLUTION 18-01

A RESOLUTION BY THE SOUTH COLONY ROAD SERVICE AREA BOARD OF SUPERVISORS TO THE BOROUGH ASSEMBLY SUPPORTING THE ESTABLISHMENT OF A DIFFERENTIAL TAX ZONE AS DEPICTED ON THE ATTACHED MAP.

WHEREAS, State of Alaska, Department of Transportation is planning to upgrade the Glenn Highway between Palmer and the Parks Highway interchange; and

WHEREAS, safe and efficient truck access to industrial operations on parcels generally between Grandview Road and Outer Springer Loop requires both a highway traffic signal and a signalized railroad crossing at Colleen Street, and

WHEREAS, Department of Transportation has agreed to obtain right-of-way and construct these facilities as well as a frontage road to provide legal access to the industrial parcels between Grandview Road and Outer Springer Loop if the Borough agrees to maintain these facilities, and

WHEREAS, Department of Transportation intends to construct the intersection without a traffic signal but limiting Glenn Highway access to right turns in and out only if the Borough is unwilling to pay for maintenance of the traffic signal and signalized rail crossing, and

WHEREAS, accepting facilities from Department of Transportation for maintenance is a normal and routine service provided by Road Service Areas, and

WHEREAS, the level of service provided by a traffic signal exceeds the normal level of service provided by Borough Road Service Areas, and

WHEREAS, the owners of the industrial parcels have advised the Borough they need the higher level of service provided by a traffic signal and signalized rail crossing to meet their business needs, and

WHEREAS, the owners of the industrial parcels have requested the Borough establish a differential tax zone which includes their parcels to pay for two thirds of the cost of maintaining the higher level of service a traffic signal and signalized rail crossing provide, and

WHEREAS, the traffic light and signalized crossing provide general benefits to all users including efficient and safe traffic flow with capacity to safely support future growth on both sides of the Glenn Highway, and

WHEREAS, the estimated annual maintenance costs for these facilities is \$23,000, not including future capital improvements, and

WHEREAS, two thirds of the estimated cost would amount to approximately \$15,333, and

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WHEREAS, a mill rate of approximately 5.03 in a differential tax zone encompassing the proposed parcels would produce sufficient revenue to pay two thirds of the maintenance costs,

Now therefore, be it resolved, the South Colony Road Service Area Board of Supervisors supports the establishment of a differential tax zone as depicted on the attached map to provide maintenance funding for the Colleen Street traffic signal on the Glenn Highway and the associated signalized railroad crossing.

APPROVED by the Road Service Area #16, South Colony of Supervisors:

Philip J. Cobb
RSA #16 Supervisor

7/17/2018
Date

Rhonda L Stark
RSA #16 Supervisor

July 17, 2018
Date

RSA #16 Supervisor

Date

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Im 18-125

3/12/2018

Jeff Roskelley
QAP
240 West 68th Anchorage, AK 99518

John Moosey
Borough Manager
Matanuska-Susitna Borough
350 E Dahlia Ave, Palmer, AK 99645

Dear Mr. Moosey

We request you initiate a differential tax zone within Road Service Area 16 to support the cost of operating and maintaining a traffic signal and signalized railroad crossing at S Colleen Street and S Glenn Highway. We understand that RSA 16 does not support or maintain traffic signals generally and that this would be a different level of service within RSA 16. The purpose of our request is so that the traffic signal and signalized railroad crossing can be operated and maintained to meet the access needs of our industrial operations on near-by parcels. Although we know the general public will also use the traffic signal and signalized railroad crossing, they are being constructed at our request and to meet our access needs. We have evaluated the value of these facilities to our operations and believe splitting the operating and maintenance cost with the Borough, where the Borough's Road Service Area 16 pays one third and the differential tax zone pays the other two thirds, provides adequate value in return for our expected costs.

Please implement a differential tax zone to support operating and maintaining the proposed traffic signal and railroad crossing at S Colleen Street and S Glenn Highway and include our property 17N02E19C001, 17N01E24D001 in that differential tax zone. We understand that just like all other service area operations, the operation and existence of the zone, as well as taxes within the zone are in the control of the Borough Assembly.

Best regards,



Jeff Roskelley
Construction Manager

OR 18-085
IM 18-128

1/31/2018

Josh Pepperd
Sawby Gravel LLC
6591 A Street
Anchorage, AK 99518

John Moosey
Borough Manager
Matanuska-Susitna Borough
350 E Dahlia Ave, Palmer, AK 99645

Dear Mr. Moosey

We request you initiate a differential tax zone within Road Service Area 16 to support the cost of operating and maintaining a traffic signal and signalized railroad crossing at S Colleen Street and S Glenn Highway. We understand that RSA 16 does not support or maintain traffic signals generally and that this would be a different level of service within RSA 16. The purpose of our request is so that the traffic signal and signalized railroad crossing can be operated and maintained to meet the access needs of our industrial operations on near-by parcels. Although we know the general public will also use the traffic signal and signalized railroad crossing, they are being constructed at our request and to meet our access needs. We have evaluated the value of these facilities to our operations and believe splitting the operating and maintenance cost with the Borough, where the Borough's Road Service Area 16 pays one third and the differential tax zone pays the other two thirds, provides adequate value in return for our expected costs.

Please implement a differential tax zone to support operating and maintaining the proposed traffic signal and railroad crossing at S Colleen Street and S Glenn Highway and include our property 17N02E18D003 in that differential tax zone. We understand that just like all other service area operations, the operation and existence of the zone, as well as taxes within the zone are in the control of the Borough Assembly.

Lastly, please understand that our support and request for this differential tax zone is contingent upon the DOT including the originally designed frontage road and culdesac that allows our property and AS&G's property to access the new Colleen Street intersection. Additionally, it is critical that the DOT continue as currently planned to construct the approximately 5,300 foot rail siding.

Best regards,



Josh Pepperd
Member, Sawby Gravel LLC

0218-085
Im18-128

AS&G a subsidiary of Alaska Basic Industries
ANCHORAGE SAND and GRAVEL CO., INC.
1040 O'Malley Road • Anchorage, AK 99515 • Toll-free: (888) 349-3133 • Phone: (907) 349-3333
Fax: (907) 344-2344 • www.anchsand.com

February 21, 2018

Ryan Zins
Anchorage Sand & Gravel Co., Inc.
1040 O'Malley Road
Anchorage, AK 99515

John Moosey
Borough Manager
Matanuska-Susitna Borough
350 E Dahlia Ave, Palmer, AK 99645

Dear Mr. Moosey

We request you initiate a differential tax zone within Road Service Area 16 to support the cost of operating and maintaining a traffic signal and signalized railroad crossing at S Colleen Street and S Glenn Highway. We understand that RSA 16 does not support or maintain traffic signals generally and that this would be a different level of service within RSA 16. The purpose of our request is so that the traffic signal and signalized railroad crossing can be operated and maintained to meet the access needs of our industrial operations on near-by parcels. Although we know the general public will also use the traffic signal and signalized railroad crossing, they are being constructed at our request and to meet our access needs. We have evaluated the value of these facilities to our operations and believe splitting the operating and maintenance cost with the Borough, where the Borough's Road Service Area 16 pays one third and the differential tax zone pays the other two thirds, provides adequate value in return for our expected costs.

Please implement a differential tax zone to support operating and maintaining the proposed traffic signal and railroad crossing at S Colleen Street and S Glenn Highway and include our property 17N02E18D001 in that differential tax zone. We understand that just like all other service area operations, the operation and existence of the zone, as well as taxes within the zone are in the control of the Borough Assembly.

Lastly, please understand that our support and request for this differential tax zone is contingent upon the DOT including the originally designed frontage road and culdesac that allows our property legal access to the new Colleen Street intersection. Additionally, it is critical that the DOT continue as currently planned to construct the approximately 5,300 foot rail siding.

Best regards,



Ryan Zins
Vice President / General Manager
Anchorage Sand and Gravel Co., Inc.



OK
18-085
Jm 18-128



2/6/2018

Derek Betts
Granite Construction Company
11471 Lang Street
Anchorage, AK 99515

Granite Construction Company
11471 Lang Street
Anchorage, AK 99515

T 907.344.2593
F 907.344.1562

graniteconstruction.com

John Moosey
Borough Manager
Matanuska-Susitna Borough
350 E Dahlia Ave, Palmer, AK 99645

Dear Mr. Moosey

We request you initiate a ten-year differential tax zone within Road Service Area 16 to support the cost of operating and maintaining a traffic signal and signalized railroad crossing at S Colleen Street and S Glenn Highway. We understand that RSA 16 does not support or maintain traffic signals generally and that this would be a different level of service within RSA 16. The purpose of our request is so that the traffic signal and signalized railroad crossing can be operated and maintained to meet the access needs of our industrial operations on near-by parcels. Although we know the general public will also use the traffic signal and signalized railroad crossing, they are being constructed at our request and to meet our access needs. We have evaluated the value of these facilities to our operations and believe splitting the expense with the Borough, where the Borough's Road Service Area 16 pays one third and the differential tax zone pays the other two thirds, provides adequate value in return for our expected costs. As this cost will be allocated among the several parcels benefitted industrially by this improvement, we would like to discuss the basis of allocation as part of the final implementation.

Our request is based on the understanding that the Borough and the State of Alaska will enter into an agreement for the construction and maintenance of the facilities. Pursuant to this agreement, the State will build the facilities and the Borough will pay to maintain them using the combination of Borough and tax funds described above. Granite's assent to the initiation of a differential tax zone is contingent upon the agreement being for a 10 year term, starting the year the project is completed by the Alaska DOT and accepted by the Borough. Again, Granite requests that the yearly operation and maintenance fees taxed to the impacted properties be a fixed amount.

(10609-007-00457823;1)

Granite is proud to be an Equal Opportunity/Affirmative Action Employer.

OR 18-085
Im 18-128

Finally, although we are contributing a portion of the expense by voluntarily accepting a tax on our property; this acceptance shall not be construed as accepting liability or responsibility for the improvements nor their operations or maintenance; which we understand would be allocated as part of the Borough, ADOT and ARRC agreement. As no separate agreement with Granite (or any of the differential tax zone parcel owners) is contemplated by the Borough at this time, please confirm that the traffic signal and railroad crossing at S Colleen Street and S Glenn Highway will be publicly owned, operated, and maintained.

Provided that the Borough is in agreement with the above, please implement a differential tax zone to support operating and maintaining the proposed traffic signal and railroad crossing at S Colleen Street and S Glenn Highway and include our property with the tax account Id numbers of: 17N02E19D001, 17N02E19A001, 17N02E19B005, and 17N02E18C011, in that differential tax zone. We understand that just like all other service area operations, the operation and existence of the zone, as well as taxes within the zone are in the control of the Borough Assembly.

Best regards,



Derek Betts
Region Manager, Vice President
Granite Construction Company

OR 18-085
DM-18-128

Motion to Amend Something Previously Adopted OR 18-085

Notice of intent to move to amend something previously adopted - Ordinance 18-085.

At the Assembly meeting on August 7, 2018 the Assembly adopted an ordinance establishing a differential tax zone within RSA 16 called the Colleen Street Signals Zone. As noted in the IM for the legislation, the purpose of the zone is to provide for 2/3 of the cost of signals on a road intersecting the Glenn Highway. Colleen Street currently exists to the west of the highway and will be extended to the planned intersection. The road to the east which will lead to the industrial properties has not been constructed. That new road will be built as part of the overall Glenn Highway project.

It has been discovered that the road to be built will not be called Colleen, but rather is to be named Jimmy's Drive. The name is different so that emergency responders know which way to turn in the event of an emergency.

Therefore, I intend to move to amend something previously adopted. Specifically, I will move to amend Ordinance 18-085 by striking the words "Colleen Street" and replacing it with the words "Jimmy's Drive" in the title and in the body of the ordinance. In addition, I will move to have this motion added to IM 18-128 so the IM shows the reason for the change to the name of the differential tax zone.

 9-4-18