

MATANUSKA-SUSITNA BOROUGH INFORMATION MEMORANDUM IM No. 25-070

SUBJECT: A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY DIRECTING THE BOROUGH MANAGER TO SUBDIVIDE TRACTS 10 AND 13, ALASKA STATE LAND SURVEY NO. 80-111 (PLAT NO. 82-80, PALMER RECORDING DISTRICT), TO SEPARATE THE RAIL TRANSPORTATION CORRIDOR AND TERMINAL EASEMENTS OF THE POINT MACKENZIE RAIL EXTENSION PROJECT FROM THE REMAINING AGRICULTURAL LAND, IN PREPARATION FOR FUTURE LAND DISPOSAL.

AGENDA OF:April 15, 2025

**Assembly Action: Adopted without objection 04/15/25 - EMW;
Reconsideration filed: 04/16/25;
Reconsideration Passed: 05/06/25;
Adopted without objection: 05/06/25 - BJH**

AGENDA ACTION REQUESTED: Present to the Assembly for
consideration.

Route To	Signatures
Originator	<div><div>X</div><div>S u z a n n e R e i l l y</div><div>Signed by: Suzanne Reilly</div></div>
Department Manager	<div><div>X</div><div>J o e M e t z g e r</div><div>Signed by: Joe Metzger</div></div>
Department Director	<div><div>X</div><div>J i l l i a n M o r r i s s e y</div><div>Signed by: Jillian Morrissey</div></div>
Finance Director	<div><div>X</div><div>C h e y e n n e H e i n d e l</div><div>Signed by: Cheyenne Heindel</div></div>
Borough Attorney	<div><div>X</div><div>N i c h o l a s S p i r o p o u l o s</div><div>Signed by: Nicholas Spiropoulos</div></div>
Borough Manager	<div><div>X</div><div>M i c h a e l B r o w n</div><div>Signed by: Mike Brown</div></div>
Borough Clerk	<div><div>X</div><div>L o n n i e M c K e c h n i e</div><div>Signed by: Lonnie McKechnie</div></div>

ATTACHMENT (S) : Fiscal Note: (1 pp)
Resolution Serial No. 25-031 (2 pp)
Subject Maps "Exhibit A" (3 pp)

SUMMARY STATEMENT:

This Information Memorandum and the accompanying Resolution No.

25-031 directs the Manager to subdivide the Port MacKenzie Rail Extension (PMRE) easement from the remaining land of Tracts 10 and 13. The tracts, totaling approximately 1,200 acres, were purchased by the Borough to establish a rail corridor to Port MacKenzie. Separating the rail easement from the remaining land will prepare the Borough to sell the remaining agricultural lands while retaining ownership of the PMRE rail easement.

I. Summary of Property Information

In May of 2013, the Matanuska-Susitna Borough (MSB) purchased approximately 1,200 acres of land, known as Tracts 10 and 13, Alaska State Land Survey (A.S.L.S.) No. 80-111, recorded as Plat No. 82-80, Palmer Recording District, Third Judicial District, State of Alaska, for the PMRE Project.

Of the 1,200 acres, there are more than 800 acres remaining outside of the rail right of way which are encumbered with a perpetual covenant (AS 38.05.321) that restricts or limits the use of the land for agricultural purposes only. The covenants are managed and enforced by the State of Alaska, Department of Natural Resources, Mining, Land and Water Division and the Division of Agriculture "for the benefit of all Alaska residents." The agricultural covenants were "condemned" on the rail corridor and terminal reserve to facilitate rail construction. Tracts 10 and 13 will be subdivided to separate the rail easement from the farms, to ensure that development options remain available and to prepare the farms for future sale. Once the easements are subdivided from the remaining parcels, the farms on Tracts 10 and 13 may be placed in an upcoming online auction or similar public land sale.

A map identifying Tracts 10 and 13 easement and farm areas is attached as Exhibit "A".

II. Property Site Factors

A. Location: Tracts 10 and 13 are adjacent to each other in the Point MacKenzie Agricultural District, and subject to the State of Alaska agricultural covenants; except for the rail easement which necessitated their condemnation.

1. TRACT 10 is located at 18455 S. Guernsey Road in Wasilla, approximately 1.7 miles south of Holstein Avenue; 598.8 acres +/-.

2. TRACT 13 is located at 24690 W. Holstein Avenue in Wasilla and abuts Tract 10 to the north; 598.4 acres +/-.

B. Agricultural Covenants - apply to both farm parcels (excluding the rail easements):

1. A perpetual covenant for the benefit of all Alaska residents restricting the use of the land to agricultural purposes only as defined in AS 38.05.321. This covenant runs with the land and is binding upon the Grantee and all persons or parties claiming through the Grantee.
2. A perpetual covenant for the benefit of all Alaska residents permitting the owner of the land to subdivide and convey not more than four parcels of not less than 40 acres each, after the obligation to pay for the right to construct housing in each subdivided parcel is either satisfied under AS 38.05.321(E).
3. A subdivided parcel may not be further subdivided. This covenant runs with the land and is binding upon the Grantee and all persons or parties claiming through the Grantee.

It is staff's belief that subdividing the rail easement would not affect a future owner's ability to further subdivide since the agricultural land will remain whole.

4. The Grantee expressly covenants to operate in accordance with a farm conservation plan approved by the State. This covenant runs with the land and is binding upon the Grantee and all persons or parties claiming through the Grantee.

C. Current Land Use: The subject residences were rented; one is now vacant, and the remaining rental is extended through August 31, 2025. The majority of both parcels is cleared with approximately 282 acres (Tract 10) and 397 acres (Tract 13) in active hay production, subject to a short-term Land Use Permit. These actions were taken to offset some of the holding cost and keep the hay fields active.


RECOMMENDATION: Borough Land Management recommends the Borough Assembly approves Resolution No. 25-031 authorizing the Borough Manager to subdivide Tracts 10 and 13, A.S.L.S. 80-11, Plat No. 82-80 (Palmer Recording District), to separate the Point Mackenzie Rail Extension (PMRE) easements from the remaining agricultural land.

MATANUSKA-SUSITNA BOROUGH

FISCAL NOTE

Agenda Date: 4/15/2025

SUBJECT: A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY AUTHORIZING THE BOROUGH MANAGER TO SELL THE AGRICULTURAL LAND ACQUIRED FOR THE POINT MACKENZIE RAIL EXTENSION (PMRE) PROJECT, IN EXCESS OF THE TRANSPORTATION CORRIDOR AND RAIL TERMINAL EASEMENTS, IDENTIFIED AS TRACTS 10 AND 13, ALASKA STATE LAND SURVEY NO. 80-111, RECORDED AS PLAT NO. 82-80, PALMER RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA, WITH MINIMUM BID AMOUNTS OF \$1,350,000 AND \$1,297,000 RESPECTIVELY.

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT YES NO
AMOUNT REQUESTED No less than the minimum bid amounts *	FUNDING SOURCE Land Sale
FROM ACCOUNT #	PROJECT
TO ACCOUNT: 203.000.000 3xx.xxx	PROJECT #
VERIFIED BY:  Recoverable Signature X Liesel Zanto Signed by: Liesel W. Zanto	

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
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)*Actual amount and FY determined at time of sale. Amounts will not be below the minimum bid requirements.

APPROVED BY:	 Recoverable Signature X Cheyenne Heindel Signed by: Cheyenne Heindel
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Resolution Serial No. 25-031
IM No. 25-070

Feet

0 500 1,000

EXHIBIT A

S Guernsey Rd

W Reddane Ave

Legend
Yard
Parcels

18455 S Guernsey Road
Port Mackenzie Special Use District
MSB Account # 52097000T010
Tax Map GB13 | File No. PMRE Farm Parcel 31
MSB/LRMD October 2024

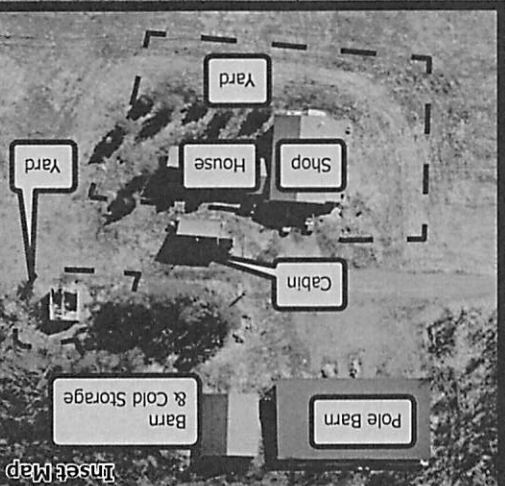


0 500 1,000
Feet

Hay Permit
282 acres

1300'
Port Mackenzie
Transportation
Corridor

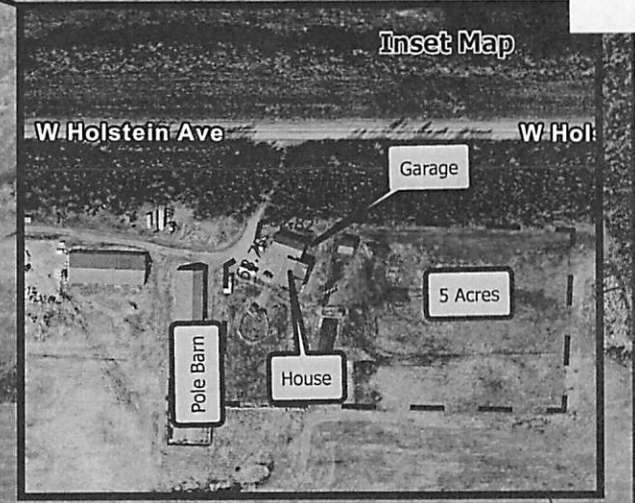
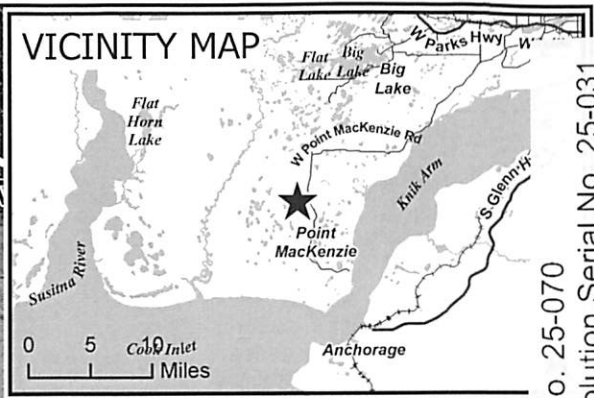
See Inset Map



Inset Map

VICINITY MAP
0 5 10 Miles
Cook Inlet
Anchorage
Mackenzie
Kuk-Aim
S. Glenn
W Point Mackenzie Rd
Flat Lake
Horn Lake
Flat Lake Big
Flat Lake

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Legend

- Yard
- Hay Permit
- Parcels

24690 W Holstein Avenue
Tenant: Dylan Berger-Hermes
Port MacKenzie Special Use District

MSB Account # 52097000T013

Tax Map GB13 | File No. PMRE Farm Parcel 32
MSB/LRMD October 2024

0 500 1,000 Feet

IM No. 25-070
Resolution Serial No. 25-031