

SUBJECT: Administrative report relating to the creation of and improvements to Republican Way Natural Gas Local Improvement District No. 672; and consideration of said creation.

AGENDA OF: April 7, 2026

ASSEMBLY ACTION:

AGENDA ACTION REQUESTED: Introduce and set for public hearing on May 19, 2026.

Route To	Signatures
Originator	<div style="text-align: right;">3 / 1 9 / 2 0 2 6</div> <hr/> X M a r c i a v o n E h r <hr/> <small>Signed by: Marcia vanEhr</small>
Finance Director	<div style="text-align: right;">3 / 2 3 / 2 0 2 6</div> <hr/> X C h e y e n n e H e i n d e l <hr/> <small>Signed by: Cheyenne Heindel</small>
Borough Attorney	<div style="text-align: right;">3 / 2 3 / 2 0 2 6</div> <hr/> X N i c h o l a s S p i r o p o u l o s <hr/> <small>Signed by: Nicholas Spiropoulos</small>
Borough Manager	<div style="text-align: right;">3 / 2 3 / 2 0 2 6</div> <hr/> X M i c h a e l B r o w n <hr/> <small>Signed by: Mike Brown</small>
Borough Clerk	<div style="text-align: right;">3 / 2 4 / 2 0 2 6</div> <hr/> X B r e n d a J . H e n r y f o r <hr/> <small>Signed by: Brenda Henry</small>

ATTACHMENT (S) : Ordinance Serial No. 26-041 (5 pp)
 Exhibit A (1 p)
 Map (1 p)
 Ballot Tally (1 p)

SUMMARY STATEMENT:

A petition has been filed by the record owners of 84.2 percent in value of the property and signatures of 78 percent of property owners within the proposed Republican Way Natural Gas Local Improvement District. The petition has been certified by the borough clerk. The proposed Republican Way Natural Gas Local Improvement District is located in Assembly District #1.

As addressed in Section 8 of the manager's administrative report, (listed below) there is 1 property that does not conform to MSB 3.28.080 (B).

MANAGER'S ADMINISTRATIVE REPORT

(MSB 3.28.040)

1. Description of properties to be benefited by the improvement:
SEE ORDINANCE SERIAL NO. 26-041

2. Evaluation of need and benefit of improvement and proposed allocation of special assessments:
The installation of natural gas distribution lines, per the highlighted portion of the attached map, makes available to the property owners within the Republican Way natural gas local improvement district a clean energy source that is substantially lower in cost than any other source available. Properties, including vacant properties, served by natural gas have a tendency to sell more rapidly when placed on the market than similar properties in areas not served by natural gas. It is believed that the benefits will accrue about equally to each property in the local improvement district. Therefore, it is proposed that the entire cost of the improvement to be allocated equally to each property within the district, without regard to the front footage, the size of the property, the value of the property or other measures.

3. Estimated total cost of improvement:
The estimated cost of the installation by ENSTAR is \$45,923 if done during the 2026 construction season. It is estimated that administrative costs will amount to approximately \$3,265 and the delinquency reserve will be \$2,588.85. The estimated total cost of the improvement as of this date is \$51,776.85. It is recommended that the project be financed by a revolving loan from the local improvement district internal service fund, which will be reimbursed from the special assessments on the properties to be benefited. It is anticipated that interest on the loan will be recovered through the interest that will be paid on special assessment installments.

4. Current mill rate: The Fiscal Year 2026 mill rate for the improvement district is 14.453 mills consisting of 8.485 mills (areawide) plus 0.371 mills (non-areawide) plus 2.830 mills (FSA#2) plus 2.767 mills (RSA#26).

Taxable Property Values for Real Property: \$2,980,300.00

5. Ownership of distribution lines: Enstar Natural Gas Co. is a division of Semco Energy Inc. It will own and be wholly responsible for the service and maintenance of the natural gas lines.

6. Profile of proposed properties in local improvement district:

Total Number of Lots: 9

Ownership type of properties: Private: 9
Bank: 0
Public: 0
MSB: 0

"Tax" status of properties: Number Current: 9
Number Delinquent: 0
Number in Foreclosure: 0
Number in Bankruptcy: 0
Population Estimate: 17
Estimated Area (Acres): 100.30

* This estimate is based on information collected during the 2020 census and current assessment records.

7. Other special assessments effecting this local improvement district: NONE.

8. Properties not conforming to MSB 3.28.080(B) "...An assessment may not exceed 25 percent of the assessed value for real property taxation of the property assessed": 1

9. Method of collecting assessments: Semi-annual due dates will be established, with billings sent to each property owner 30-45 days before each due date. Delinquent accounts will be acted upon in the same manner as delinquent tax accounts, including annual foreclosure action.

IMPROVEMENT PLAN (MSB 3.28.050B)

The improvement is the installation of approximately 1,570 linear feet of natural gas distribution lines by ENSTAR to serve and benefit 9 properties within the Republican Way Natural Gas Local Improvement District as described in Ordinance Serial No. 26-041. The current ENSTAR tariff sets the cost of gas lines at \$29.25 per foot for a cost of \$45,923.

The improvement will be funded by a revolving loan from the local improvement district internal service fund. Only the proceeds of the special assessments and interest will be pledged as security for payment. The special assessments may be paid by the property owners in semi-annual installments over a ten-year period.

ENSTAR will engineer, own, install, and maintain the line under an agreement with the borough.

The estimated total cost is \$51,776.85. The estimated cost elements are installation costs of \$45,923, delinquency reserve of \$2,588.85, and administrative costs of \$3,265.00.

The estimated total cost is to be equally assessed against the properties within the improvement district, including those properties not meeting the MSB 3.28.080(B) criteria.

The estimated special assessment against the 9 lots is \$5,752.98 per lot.

LEGAL DESCRIPTION FOR
REPUBLICAN WAY LID672

8353

Lot One (1), CHIPMAN AC, according to Recorded Plat 2023-6; and

8553

Lot Two (2), 125, according to Recorded Plat 2025-63; and

16N02E03A011

TOWNSHIP 16N RANGE 2E SECTION 3 LOT A11 Seward Meridian; and

16N02E03A012

TOWNSHIP 16N RANGE 2E SECTION 3 LOT A12 Seward Meridian; and

16N02E03A013

TOWNSHIP 16N RANGE 2E SECTION 3 LOT A13 Seward Meridian; and

16N02E03A014

TOWNSHIP 16N RANGE 2E SECTION 3 LOT A14 Seward Meridian; and

16N02E03A015

TOWNSHIP 16N RANGE 2E SECTION 3 LOT A15 Seward Meridian; and

16N02E03A016

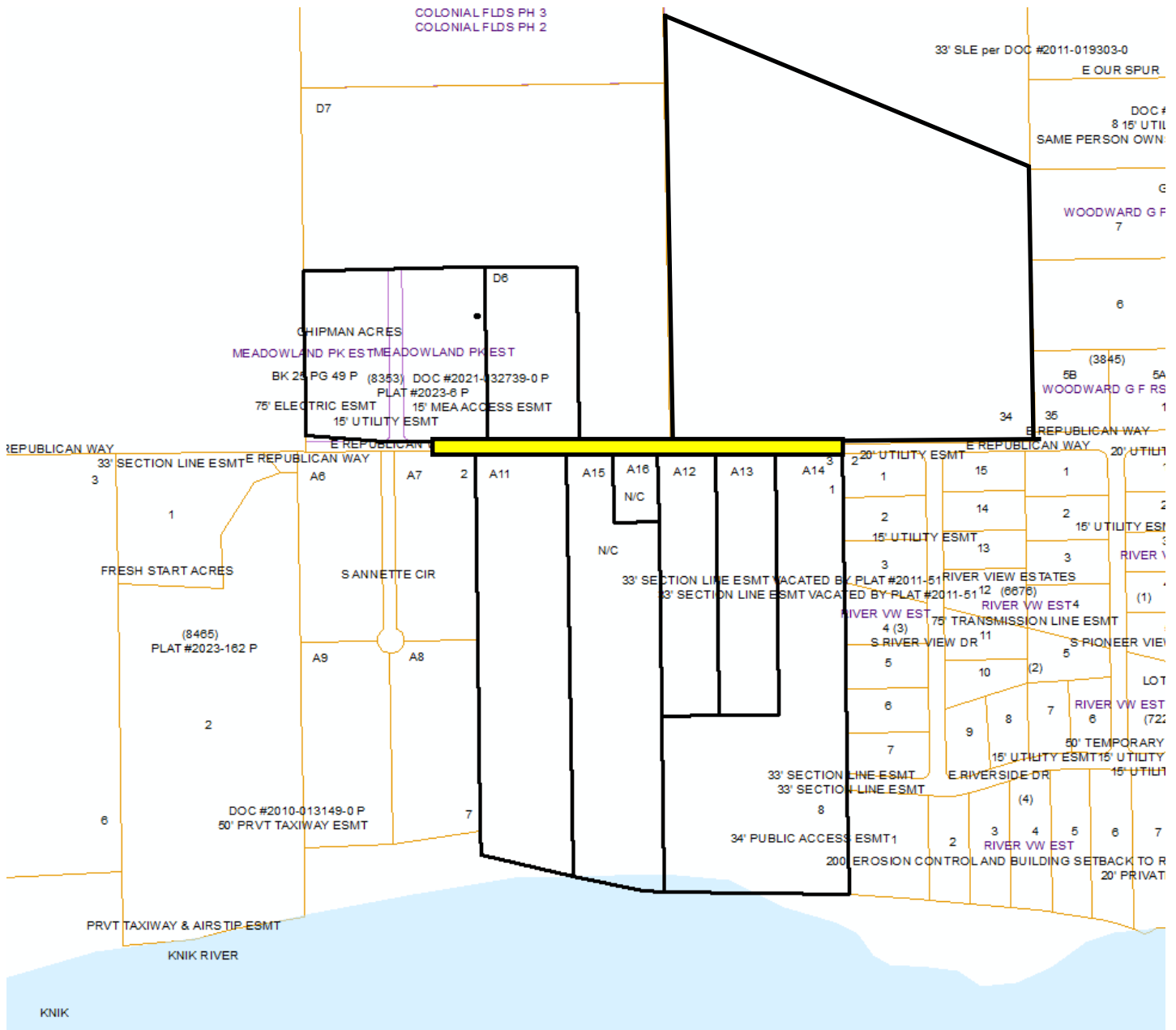
TOWNSHIP 16N RANGE 2E SECTION 3 LOT A16 Seward Meridian; and

17N02E34D006

TOWNSHIP 17N RANGE 2E SECTION 34 LOT D6 Seward Meridian.

THE ABOVE IS RECORDED IN THE PALMER RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA.

LID672 REPUBLICAN WAY



Matanuska-Susitna Borough
Real Property Selection List by Account Number

October 9, 2025

LID672 REPUBLICAN WAY

<u>Tax Account/Owner Name and Address</u>	<u>Zone</u>	<u>Map #</u>	<u>Subdivision</u>	<u>Land Appraisal</u>	<u>Bldg. Appraisal</u>	<u>Total Appraisal</u>	<u>Acre</u>
116N02E03A011 VINCENT MARK & AMY RENE 926 GULOVIN CT FAIRBANKS AK 99701	0001	1		\$90,400.00	\$299,500.00	\$389,900.00	11.82
116N02E03A012 THRONSON RHONDA M & RAYMOND C III 15368 E REPUBLICAN WAY PALMER AK 99645	0001	1		\$53,200.00	\$249,700.00	\$302,900.00	4.84
116N02E03A013 GIRMSCHEID TERRI LYNN GIRMSCHEID MARK 15418 E REPUBLICAN WAY PALMER AK 99645	0001	1		\$53,200.00	\$76,600.00	\$129,800.00	4.84
116N02E03A014 SHEPHERD PATRICK L CLAPPER MEGAN 15436 E REPUBLICAN WAY PALMER AK 99654	0001	1		\$95,200.00	\$386,500.00	\$481,700.00	14.00

Matanuska-Susitna Borough
Real Property Selection List by Account Number

October 9, 2025

LID672 REPUBLICAN WAY

116N02E03A015 KLEE MARTIN D PO BOX 2354 PALMER, AK 99645-2354	0001	1	\$98,500.00	\$108,000.00	\$206,500.00	10.94
116N02E03A016 KLEE THOMAS J PO BOX 3732 PALMER, AK 99645-3732	0001	1	\$34,000.00	\$177,300.00	\$211,300.00	0.88
117N02E34D006 MOSHER CHRISTIAN GIBBS BAILEY R 1307 SW 160TH ST BURIEN WA 98166	0001	14	\$55,000.00	\$376,100.00	\$431,100.00	5.00
58353000L001 CHIPMAN LAURIE 15171 E REPUBLICAN WAY PALMER AK 99645	0001	14	\$61,200.00	\$506,000.00	\$567,200.00	9.41

CHIPMAN AC

Matanuska-Susitna Borough
Real Property Selection List by Account Number

October 9, 2025

LID672 REPUBLICAN WAY

58553000L002	0001	14		\$19,500.00	\$0.00	\$19,500.00	39.09
DNS LLC		125					
14545 E DOC MCKINLEY AVE							
PALMER AK 99645							
Total Parcels in LID672: 9				\$560,200.00	\$2,179,700.00	\$2,739,900.00	100.82

BALLOT TALLY

LID NUMBER	672	
LOCAL IMPROVEMENT NAME	Republican Way	
LID TYPE	NATURAL GAS	
LOAN AMOUNT	54,560.00	
CONSTRUCTION COSTS	48,523.00	
NUMBER OF LOTS	9	
PER LOT COST (FULL AMOUNT)	6,062.22	
ESTIMATED SEMI-ANNUAL PAYMENT	303.11	
REFUNDABLE OR CONTRIBUTION IN AID	CIA	
<hr style="border-top: 3px double #000;"/>		
NUMBER OF BALLOTS MAILED	9	
NUMBER OF BALLOTS RETURNED	8	
NUMBER AND PERCENTAGE OF BALLOTS RETURNED MARKED "YES"	6	(75%)
NUMBER OF BALLOTS RETURNED MARKED "NO"	2	(25%)
NUMBER OF BALLOTS RETURNED UNMARKED, INCORRECT PAPERWORK AND/OR SIGNATURE	0	(0%)
<hr style="border-top: 3px double #000;"/>		
NUMBER OF BOROUGH OWNED LOTS	0	
NUMBER OF STATE OWNED LOTS	0	
NUMBER OF LOTS LESS THAN 4X1	1	
LETTERS NOT RECEIVED	<u>0</u>	(0 unclaimed)

COMMENTS:

As provided in MSB 3.28.062(B), the assembly may not proceed with the improvement unless ballots approving the local improvement district are timely filed by owners of property bearing more than 67 percent of the estimated cost of the improvement.

Administration recommends adoption of Ordinance Serial No. 26-041.