



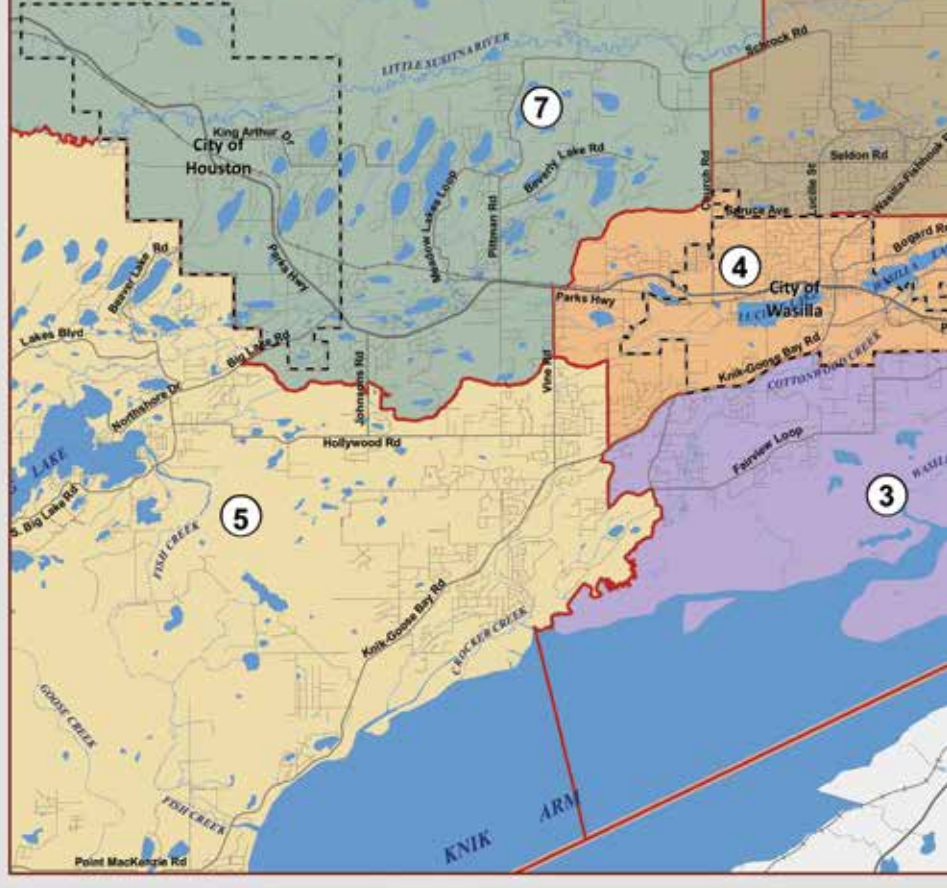
Matanuska-Susitna Borough



Annual Report
2013

Incredible Heights

Mat-Su Borough Assembly



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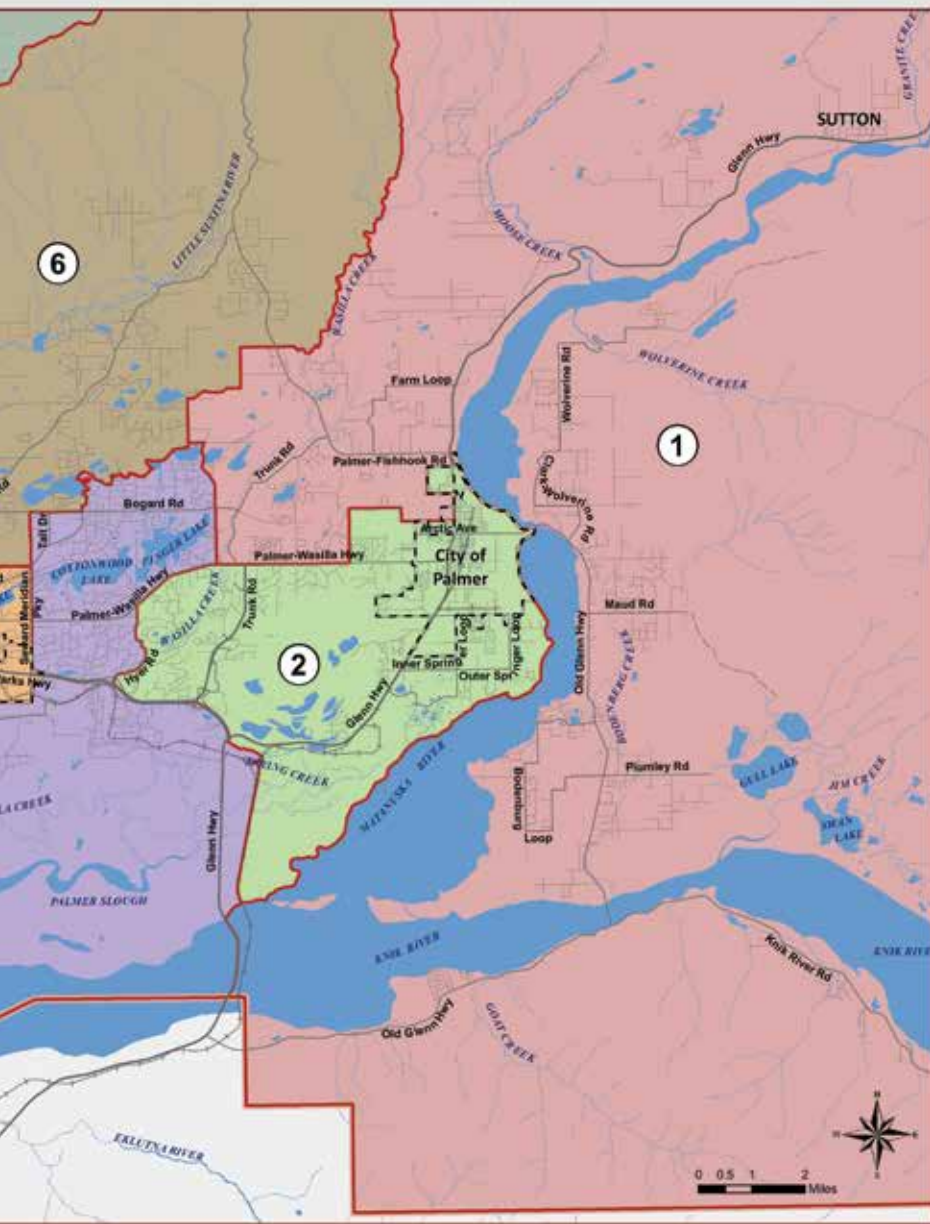
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Welcome



This summer, the Matanuska-Susitna Borough will move soil on four segments of a new 32-mile railroad, creating up to 200 jobs and producing \$116 million in construction work. New lessees at Port MacKenzie will increase freight traffic at the deepwater dock as well as begin building infrastructure. Central Alaska Energy and PacArctic Logistics have positioned themselves at the port for resource development.

Nine miles up from the port, 190 new jobs at Goose Creek Correctional Center weren't there a year ago. The state facility—brought about by the Mat-Su Borough—earned a national award for construction from the Design-Build Institute of America.

Closer to our seat of government in Palmer, the historic Dorothy Swanda Jones building is welcoming a new 18,000-square foot addition. By summer, the territorial schoolhouse, dating back to 1935, will have an assembly chamber expansive enough for 350 citizens. On education, more than \$214 million in new schools and upgrades are getting underway.

At Hatcher Pass, 7.5 km of designed trails have created a stir of activity for Nordic skiing and tourism. In a single ski event 500 visitors enjoyed the new Government Peak Recreation Area situated above it all with sweeping views from the trail, of Knik Glacier the Hay Flats and the Chugach Range. This summer construction begins on a Chalet/Adventure Center.

Over the next two years, transportation infrastructure will undergo transformational expansion. Up to \$54 million in Borough road construction projects will get underway on vital connector roads from Butte to Sutton to Knik-Fairview to Talkeetna and more.

Such monumental effort at taming the frontier makes all of us in the Mat-Su Borough have a stake in this sometimes austere yet often beautiful place.

—John Moosey, Manager



During 2012, the longest serving active duty Colonel in the U.S. Air Force— 41 years, 3 wars—took up his second career here as the Assistant Borough Manager. George Hays is no bureaucrat behind a desk, he's a graduate of the US Army Ranger School and known to follow through on 50 push-ups a day. He throws that can-do approach at every department and project he oversees including; Information Technology, Department of Emergency Services, Public Works, and the underdog of services: Animal Care. During the Sept. 2012 Flood Disaster, Hays flew over the Borough and gave a succinct assessment of the damage.

Welcome to the demographic hot spot of the State. We continue to grow—both numerically and economically. In 2012, the number of new business licenses in the Borough grew by almost 1,200. We are moving ahead with almost \$300 million of voter-approved projects for new roads and schools.

We anticipate a new bridge and alternate access to our neighbor, Anchorage, which is where about 30,000 of our constituents go to work.

The Mat-Su provided 40 percent of Alaska's new home construction in 2011, according to Economist Neal Fried. To keep pace with the growth and infrastructure we are moving ahead with planning two completely new town sites on public lands at Point MacKenzie and near Fish Creek. How many places in the world could you do that today?

The challenge of keeping pace without overburdening our taxpayers is one that I take seriously. I invite you to participate in tapping and developing our boundless resources. Gold and coal and agriculture have driven this economy for the last 100 years, and I believe will propel us into the next 100 years.

—Larry DeVilbiss, Mayor

Robert DeBerry/Frontiersman



Doing the right thing



Robert DeBerry/Frontiersman

“Richard Harrop, I felt compelled to write you regarding your actions at the Palmer fire scene this evening. A large, black dog named Hank, was pulled from the burning house by fire crews. When I arrived I saw the dog lying unresponsive in the snow bank with rapid/deep respirations... and when I turned around, you were tending to the dog and administering oxygen via the new K9 masks.

I was impressed to see that you had attended to Hank the very minute your assigned duties allowed you to pull away. In my opinion this exemplifies several of the Borough core values as well as care and compassion. As I walked back to my truck, I was stopped by no less than six people, asking how the dog was, and thanking us for what we (you) did. As for me, I have had a very dark month of shifts here; dark as ink in fact. Even though it was “just a dog,” you should know that it made my night. Best regards and thanks again.”

—Glenn Stevens, EMS Quality Assurance Manager

It's spring 2013, at a high school jazz festival at the University of Alaska Fairbanks, when a teenager collapses. He's not breathing, has no pulse. Two lifeguards come forward from the Mat-Su Borough. Sarah Maffe is from the Palmer Pool. She doesn't know Kaitlyn Dault, who is from the Wasilla Pool. Nearly two sets of chest compressions later, the EMTs arrive. “In the Borough we're all trained to respond immediately and that's not how it is around the nation,” Maffe said. “So the fact that two people who had CPR nailed into their heads were actually there at the same time, to do the right thing—it blows my mind,” Maffe said. She visited “Robbie” in the hospital. “(Robbie's parents) were speechless. All they could do is look at me with tears in their eyes and hug me as hard as they could, and say thank you.”



Sarah Maffe



Kaitlyn Dault

Restoring precision on the crusty wish list

The wish list for all capital projects in the 25,000 square miles of the Borough is called the CIP, Capital Improvement Program. For years the list of what to build and why swelled, amassing to 658 different projects. Some on the list grew gangrene without circulation, & worthy projects were buried with the forgotten. Borough Planner Sara Jansen ventured down 658 different trails brushing off the dust of mediocrity. In the end, with Assembly and Planning Commission approval, Jansen streamlined the list into 189 vetted projects. “Policy makers rely on timely, accurate information for decisions that affect us all. My goal is to give the Assembly and legislative Delegation nothing but that,” Jansen said.



Patty Sullivan/MSB

Animal Care at work in FY 2012

- 4,228 customers
- Took in 3,746 animals
- Adopted out 1,997 animals, returned 617 lost animals to their families
- Averaged 1,071 volunteer hours per month
- 4 officers, 2,327 calls for help

Mat-Su Continues Eclipsing The State

Sweeter Product in Alaska



Farmers markets have exploded over the last 10 years in Southcentral Alaska & are up to 14 weekly markets now with “Valley” farmers supplying most of the veggies. The most recent estimate of a season’s crop value for our widespread ag census area was \$15.7 million. However, it’s the fresh, healthful produce that Alaskans—3,000 miles from the food supply chain—value. Alaska carrots are sweet like no others from the nightly sunlight. Turnips are so tight with crisp crunch they’re called “Snow Apples” by the Rempel Family Farm. Arthur Keyes of Glacier Valley Farm, last summer, had hundreds of pounds of fresh strawberries he had to sell fast, so he turned to facebook. “All day long people kept rolling down my driveway,” he said. Keyes is among the Valley farmers who maximize what they have: long sunlight, fertile-pest-free soil, and veggies full of sugar.

Patty Sullivan/MSB



Standout Local Schools

Even remote Alaska schools can dominate at national technology competitions. In 2011 students from the Mat-Su Career & Technical High School, Will Showalter & Rory Linehan, took 2nd place in the nation in a competition for networking technology called the Cisco NetRiders. In 2010 a Turkish exchange student, Mert Kilic, and again Will Showalter surpassed the best of the best. They overtook 844 students from U.S. and Canada to earn 4th place. ***“The program can be the impetus for going onto great things in IT,”*** said Trish Zugg their instructor at Career & Tech. Showalter is now a sophomore

at the University of Alaska Fairbanks. He returns each year to his high school to tell students how taking the program raised the bar. Kilic’s success led to multiple job and scholarship offers. He began working as a network expert and security consultant for a private company during his freshman year at Yasar University, according to a Cisco press release. Rory Linehan went straight into an IT job after high school, Zugg said. ***“This will be our 14th year offering the Cisco Networking Academy Curriculum. Its initial offering coincided with the Internet Revolution,”*** Zugg said.

A Climate of Free Enterprise



Taxes on inventory allow \$1 million in goods to be exempt. Taxes on business infrastructure don’t exist. No sales tax exists on Borough lands. In 2012 nearly 1,200 new businesses opened their doors here. . —Don Dyer, Economic Development Director

In fall 2012 the Economic Development Strategic Plan went into the execution phase as 80+ business leaders contributed more than 5,000 volunteer hours toward economic development.

<http://www.matsugov.us/economicdevelopment/>

Emily Ford, Econ. Director Don Dyer, Roxie Mayberry, & Jake Libby discussing branding.

FAR OUT FUN!

Knik River Lodge

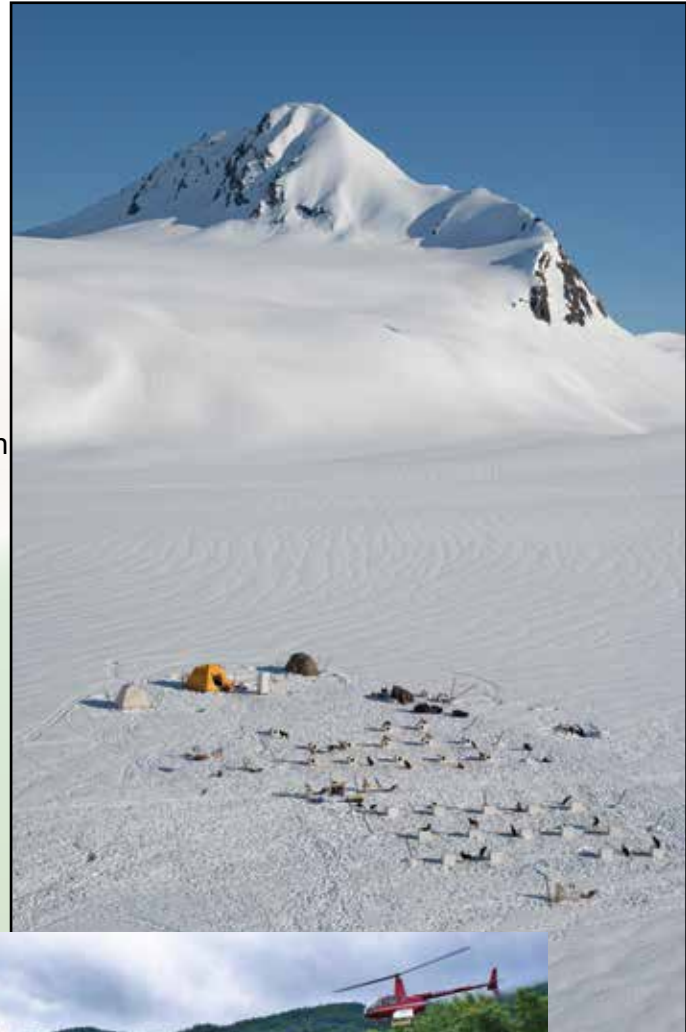
\$201 Million annually spent by visitors in Mat-Su

Sleep at the edge of a glacier, six miles wide. Mush a dog team with a small party of friends across ice 1,000 feet deep. Hover before a turquoise wall of frozen water, over Lake George—the inner sanctum of the Chugach Range—as Dutch lodge owners Peter & Evelyne Schadee call it. Savor beef wellington in a yurt.

Welcome to the Knik River Lodge: 15 cabins and a restaurant at the end of a road hemmed in by mountains and braided riverbed. Visitors are awestruck with adventure. But outdoor extremes aren't the only reason that Knik River Lodge has doubled its business this year. Tourism smarts. "In this area it stood out that there was no medium size property with a higher standard of comfort—a private bath, well-maintained cabins, a restaurant to be proud of," said Peter Schadee, who started the lodge in 2006 after it struck him that the beautiful Knik Glacier Valley was close to Anchorage and its international airport "but nobody was here." With subcontractors who are experts in their sport, the lodge offers heli-skiing, ice climbing, kayaking, & more. Soon, 50 cruise ship passengers will veer off the highway regularly to stop for lunch. The lodge has entered another niche as base camp for film crews. Al Roker of the "Today Show" stayed in 2011 and showcased his sled dog ride across glacier on national TV.

Each season, the lodge has 2,000 overnight guests and with its two helicopters flies guests to nearby Lake George on 1,000 trips. The Knik River Lodge is a part of the 2007 estimate of **\$201 million spent annually by visitors in the Mat-Su.**

Learn about other cool places at www.alaskavisit.com



©Stephan Zirwes / Studio Schmittstelle



©Peter Schadee

9% of us are entrepreneurs

Employment never faltered here, even during the global financial crisis:
2007: 1% employment growth; 2008: 4% growth; 2009: 3% growth

40 percent of all Alaska's new home construction in 2011 was here.

A lot of house, a lot of land for less money: the average sales price of a single-family home in 1st quarter 2012 was \$238,793, Statewide the average was \$276,902.

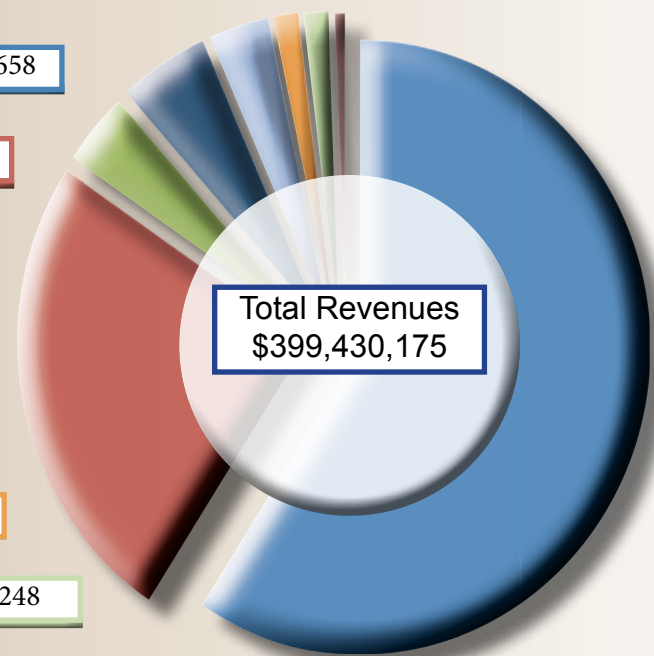
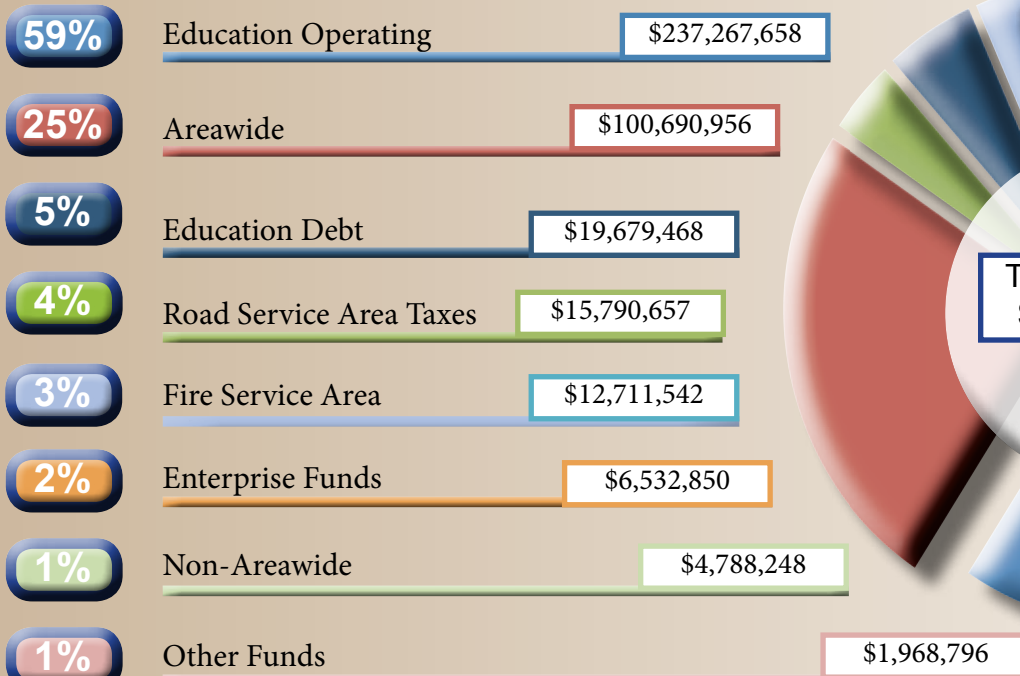
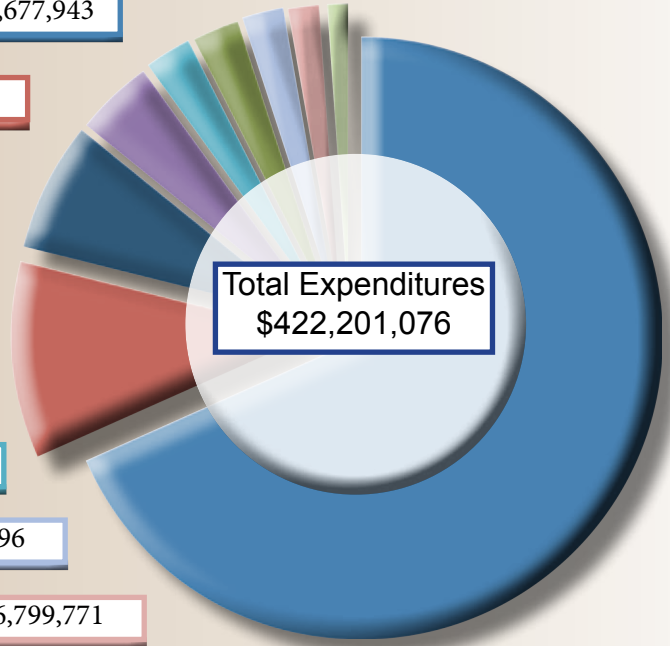
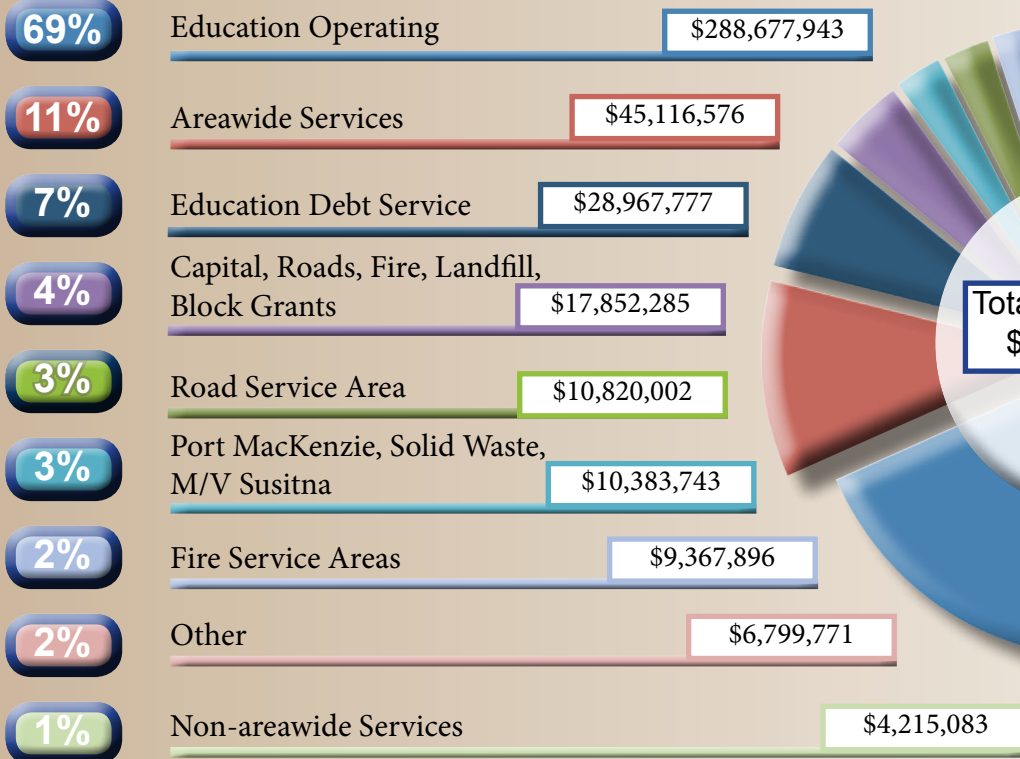
The population grew by 50 percent in the last decade. We're approaching 94,000.



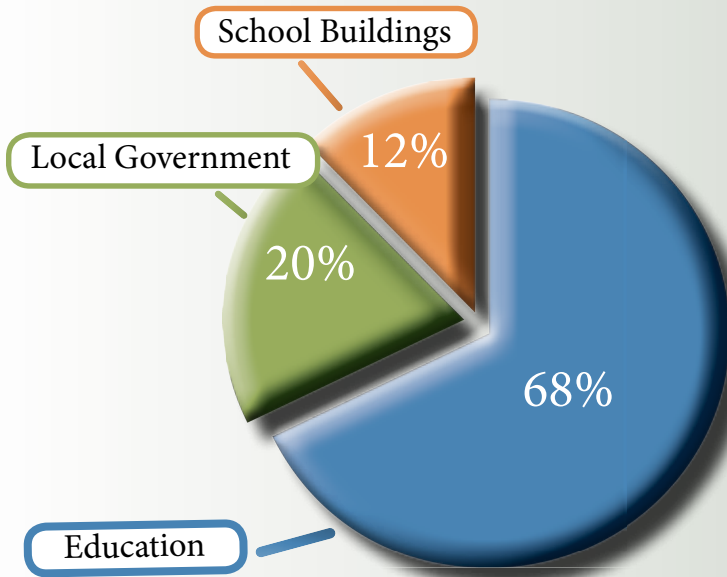
©Kate Evans Photography

* stats by Neal Fried, State Economist

Comprehensive Borough Budget



Sound Borough Credit Reflected In Bond Ratings



In Feb., Fitch Ratings assigned an AA rating to Borough bonds. Higher bond ratings result in lower debt service payments, which translate into savings for Borough taxpayers on construction projects. ***“Job creation, population growth, and assessed value gains continued throughout the recession in marked contrast to most of the nation,”*** Fitch writes.

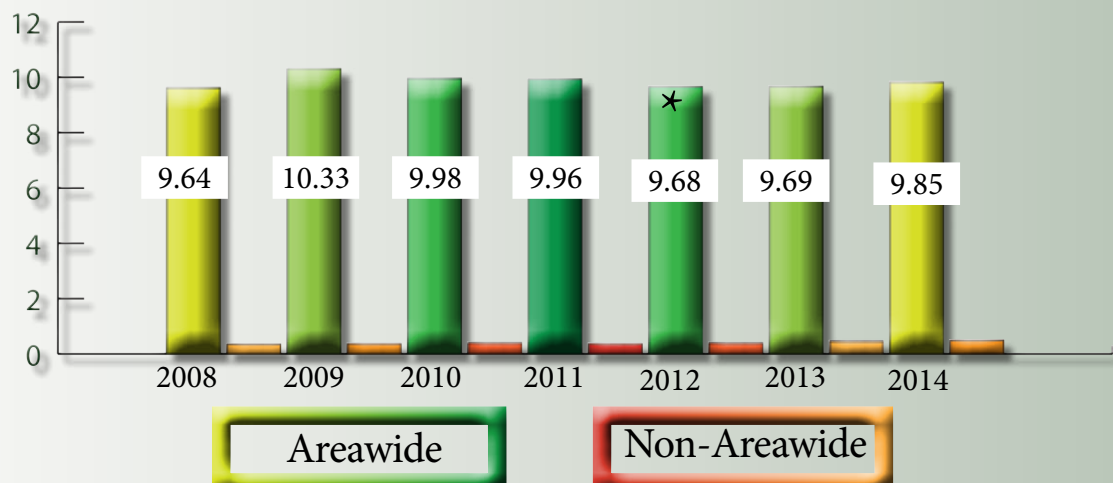
Mat-Su Borough Assembly Invests In Education

The School District received its request for a **3% increase**, making the local contribution from taxes **\$51.2 million**. The Assembly increased the tobacco tax by \$1 a pack to add funds for future education and health & safety initiatives. ***The Assembly has added increases to the school budget for all but one of the last 10 years.***

Mill Rate

The mill rate is the amount of tax, payable per dollar, of the assessed value of a property.

The 2014 average tax bill is \$2,208 (Areawide & non-areawide taxes only). In 2012 it was \$2,129. The increase is due to the start of voter-approved taxes for \$214 million in school bonds and \$32 million in road bonds.



★ Rebate Given

Under Construction Like Never Before

An extraordinary amount of earthwork and construction is UNDERWAY this summer on multiple projects ranging from roads, additions, bridges, fire halls, schools, a ski chalet, and even a railroad.

\$214 million in school projects

\$64 million in road bond projects

roads like South Big Lake Road & Bogard Road Extension, phase 1

An **18,000-square foot addition** to the Dorothy Swanda Jones administration building, a territorial schoolhouse, dating back to 1935.



A new railroad link is going in near Houston to Port MacKenzie. Three segments of the 32-mile embankment are under construction now, amounting to \$88 million in construction work and 116 workers. By fall, a fourth segment brings work up to \$100 million and workers to nearly 200.



Patty Sullivan/MSB

L to R: Rep. Wes Keller, Rail COO Bill O'Leary, Rep. Peggy Wilson, Rep. Shelley Hughes, ARR Board Member John Binkley, Senate President Charlie Huggins, Borough Mayor Larry DeVilbiss, Alaska Governor Sean Parnell, Rep. Bill Stoltze, Rep. Lynn Gattis, Sen. Mike Dunleavy, Borough Manager John Moosey, Sen. Fred Dyson.

Heavy Lift

Last summer Port MacKenzie handled a heavy lift involving **\$5.4 million in cargo**. Two giant spools with 3.4 miles of electrical cable were skillfully offloaded to a barge for the Fire Island Wind project. Patty Sullivan/MSB

New lessees at Port MacKenzie are building roots.

Pac Arctic Logistics now offers monthly cargo service from Port Olympia, Washington.

Central Alaska Energy is prepping for construction of its 6.9 million gallon fuel tanks.



Photo Patty Sullivan/MSB

Hyper activity in school construction



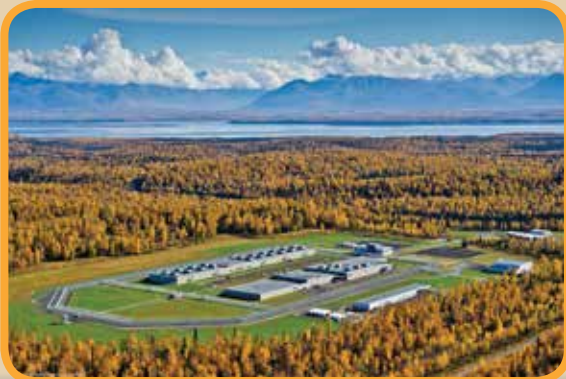
Photo Robert DeBerry/Frontiersman

- Athletic fields at all core area high schools, **\$12 M**, in progress, completed summer 2013,
- Mat-Su Day School, **\$10 M**, construction begins June
- Valley Pathways, construction begins June, **\$22.5 M**
- Knik Area elementary, **\$26.5 M**, site purchase in progress. Design begins fall 2013,
- Career Tech Addition, **\$16.2 M**, under design, estimated construction start summer 2014,
- Iditarod Elementary, **\$25.2 M**, site purchased. Design 2014,
- Knik Area Middle/High School, **\$65 M**, in design. Estimated start construction summer 2014



Goose Creek Correctional

Nine miles up from the port, 190 new jobs at Goose Creek Correctional Center weren't there a year ago. The \$242 million state facility—brought about by the Mat-Su Borough—earned a national award for construction from the Design-Build Institute of America. The project was delivered on time and on budget, said Russ Krafft, Borough project manager. "You'd never get it built for that again ever," said Jerry Neeser of Neeser Construction. Families of inmates who couldn't afford to see them in a Colorado prison, now have a chance to locally support their son, brother, husband, or dad.



©Ken Graham

Alaska's first direct shipment to Asia of scrap metal moved across the docks of Port MacKenzie: 8,000 tons of scrap steel, bound for South Korea.



Photo Patty Sullivan/MSB

A new timber harvest has three times the acreage of the last one. There's never been such widespread opportunity for residents who want to heat their homes with firewood or for the small-scale timber sales operator. Already, 4,000 cords of wood are getting prepared for sale, all while the forest is managed for sustainability. Visit "Public Notices" at matsugov.us



Disaster Response

On Sept. 18, when the 2012 flood disaster hit, responders were ready. More than 120 people from many agencies joined forces. The staff in the emergency operations center managed the crisis 24-hours a day. Within a weeks' end, 823 buildings were damaged, 141 of them homes, 4 homes destroyed, some of them grabbed by a creek or river and pulled in. The town of Talkeetna was flooded and evacuated. Some residents in Butte, and along major creeks retreated with their belongings.

Tools like LiDAR showed why a flash flood brought waist high water into homes outside Wasilla along Marilyn Circle. Rescuers from the Mat-Su Central Fire Dept. and Water Rescue Team appeared at midnight in rafts, rapping at their windows, to ferry them to safety.

Photo: Water Rescue Team Member Kevin Sumner helps a resident to shore. Water Rescue earned the BP-Red Cross Alaska Community Safety Award.



More than 40 roads closed. Borough public works, contractors, & DOT worked incredible hours through rain and high winds to restore access to most roads in less than two weeks.

Flood waters, scouring through Willow Creek, crumbled part of the Shirley Towne Bridge, preventing residents from traveling home. Crews built a nearby bridge in two weeks instead of the expected eight. Nothing like this bridge work had ever been done in the Borough.



James Steele, Lance Ketterling, & Rich Boothby assessing tactics for the flood disaster. Crisis Communications Award, PRSA Alaska. 24 hours a day the Borough PIOs disseminated info. Newspapers were pointing residents to the PIO facebook. Talkeetna-Amanda Randles, Maureen McLaughlin, Shannon Post; Borough-Mary Brodigan, Stefan Hinman, VickieLee Fenster, Carol Vardeman, Patty Sullivan, (front) Pam Ness. Photo: Emergency Manager Casey Cook giving the public update on flood.

On the heels of the flood, came wind and fire



Casey Cook/MSB

Responders were confronted with **57 emergencies over five days**, including **15 fires**. The Unified Command with Palmer, State Troopers, Forestry and the Borough prevented a subdivision of homes from going up.

LiDAR

In a 6-month effort, Borough Planning staff increased the accuracy of federal flood plain maps with new technology. The elevation data of LiDAR is helping remove residents' properties that were previously thought to be in an area of high flood risk. The data will save thousands of dollars annually in needless flood insurance for many residents.



A new, snappier online mapping service with greater accuracy and capabilities is soon mobile compatible.



Bea Adler was awarded Special Commendation from the Governor's Alaska Council on Emergency Medical Services for developing the Borough's CERT program; & the Alaska Sertoma Club 2013 Service to Mankind Award. Adler has written grants over 12 years for \$12 million.

SURVEY

Answer 7 questions online about the Annual Report and become eligible to win a free landfill coupon or Mat-Su trailhead parking pass in an upcoming drawing.
<https://www.surveymonkey.com/s/BoroughAnnualReport2013>

Big Mountains, Big Fish, Rich Life

Patty Sullivan/MSB



Sutton Library

The highway community near Sutton wouldn't settle anymore... for a library that only gained a new book, when an old book was cast out. They dug in their pockets, rallied for funding, and drew believers. Today, the library is a main gathering place in town, one of inspiration and possibilities. Librarian Nancy Bertels is elated here at the ribbon cutting ceremony.



Photo: Stefan Hinman



Sportsfishing used to be a \$100 million industry, now it's a fourth of that size. The fish aren't coming back as strong, yet. But fortune comes to the Borough through fish expertise, that of retired fish biologists and former chairmen of the state's highest fish regulating body. The Mat-Su Borough's Fish & Wildlife Commission built their message well, shared it in Juneau, and rallied \$7 million for the future of Northern Cook Inlet fish.



Photo Stephen Nowers©



PULITZER Prize Nominee

In a cabin without running water in Chickaloon, AK, in a closet made into a study, local author Eowyn Ivey found the space to create the wistful older couple Jack and Mabel, who break ground in Alaska to build a homestead in the 1920s. Ivey's first novel is her reinvention of a Russian fairytale with the wonder and brutality of Alaska & the true grit and yearning of Mabel and Jack. "The Snow Child" was nominated for the Pulitzer Prize for fiction. Ivey is a keen supporter of the nearby Sutton Library. A lesser-known story is how this first, unborn manuscript reached the eyes of her would-be agent at a conference in Homer only when her husband sent it over the Sutton Library fax, page by page.



©Marc VanDongen



Patry Sullivan/MSB

Trails are the number one favorite in the Mat-Su. 7.5 kilometers of new Nordic ski trails created a stir of activity this winter. In a single event, 500 visitors took in the sweep of mountains and valley floor from the trail. The development is the beginning of a recreation magnet. www.hatcherpass.com

Network innovator, Wi-Fi Pioneer

“At 36,000 feet, Wi-Fi converts our airline seats to remote offices. It lets us read email in airports, watch video in coffee shops, and listen to music at home. Wi-Fi is everywhere. But where did it come from?” So begins an excerpt on the website of Dr. Alex Hills. You’ll see him shaking hands at Palmer Chamber luncheons when he’s not flying off to work with students in Ethiopia, Chile, or Palau. In 1993 Dr. Hills began the creation of Carnegie Mellon’s Wireless Andrew project, a campus-wide, high-speed wireless network that served as the prototype for modern Wi-Fi networks. He shares some technology experiences in his book “Wi-Fi and the Bad Boys of Radio.” And his new book “Geeks on a Mission” tells the stories of his students working in developing nations.

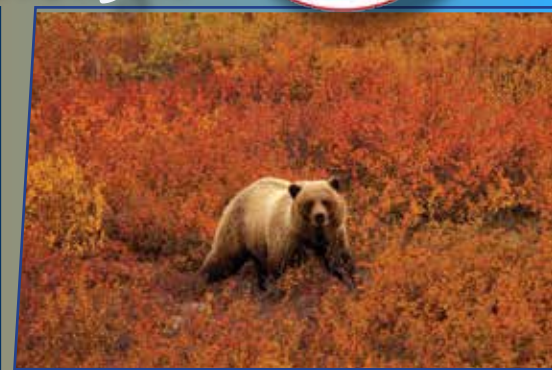


Calvin Hall©

Film star Nicolas Cage in the Mat-Su, filming “The Frozen Ground” on the Old Glenn bridge over the Knik River. The film hits theaters in August. The Alaska Film Production Incentive Program requires a minimum of \$75,000 in expenditures in Alaska for film crews to qualify for tax credits. The Mat-Su welcomes more visits from the film industry.



Matanuska-Susitna Borough



Incredible Heights

Produced by Patty Sullivan, Public Affairs Director & Stefan Hinman, Media Designer

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Front cover: photography: Lance Arnold triumphant atop an ice pillar at Knik Glacier—Kate Evans Photography on facebook; Goose Creek Correctional Center—Ken Graham Photography.com; 3.4 miles of cable offloaded at Port Mac—Patty Sullivan/MSB; Skijoring with 3 at Government Peak—Patty Sullivan/MSB

Back cover: Rempel Family Farm—Patty Sullivan/MSB; ©Iditarod sled dogs 2013—Patty Sullivan; 1st Scrap metal ship direct to Asia—Patty Sullivan/MSB; Grizzly in burnt fall foliage—©Stefan Hinman