



MATANUSKA-SUSITNA BOROUGH

Office of the Borough Manager

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MEMORANDUM

DATE: June 7, 2023
TO: Mayor and Assembly
FROM: Michael Brown, Borough Manager
RE: Manager's Weekly Post

Port MacKenzie Rail Extension (PMRE) Farm Properties: The Borough acquired two farms within the Point MacKenzie area as part of the PMRE project in 2013. Two tenants occupy these farms. As the Borough is exploring ways to wrap up various segments of this project, the Borough Manager directed staff to dispose of the properties through a competitive sale, according to MSB Code.

Borough staff provided a notice to vacate the premises, and initially, it was decided to give a 60-day notice, which would have given the tenants a vacate date in December 2022 to be out of the homes. The initial discussion with the tenants took place on September 21, 2022. After conversations with the families on October 6, 2022, staff decided that June 30, 2023, would be more acceptable for the families to vacate the two farms. This gives the tenants nine months' notice and gets them through the winter.

The Borough agreed to offer the tenant, Mr. Berger-Hermes, first right of refusal to purchase the properties at fair market value based on a third-party appraisal that the Borough would pay to have done. Mr. Berger-Hermes suggested purchasing the property at the assessed value of \$747,400 (600 acres gross & 442.37 acres net (minus rail easement)) and the Borough financing the remainder after a \$300,000 down payment. As per Title 23, any Borough land sales should first go through the sealed bid auction (competitive) process. If parcels don't sell during a competitive bid process, they can be offered in a subsequent "over-the-counter sale" and sold for a "first-come, first-serve" basis for the minimum bid price set by Assembly ordinance for the sealed bid auction. Borough Administration elected to follow the process outlined in Title 23 and Land and Resource Management's Policy and Procedures adopted by the Borough Assembly and would not agree to any purchase financing due to the nature/repayment of the State grant funds used to acquire the properties for the rail alignment.

On April 27, 2023, the Borough requested a letter from a credible mortgage company or bank, which states the tenants were prequalified to purchase the property or had the cash to buy the property for a minimum of \$1,500,000. This differs from the typical sequence of events the Borough uses to sell property. The Borough gave until May 25, 2023, to provide the prequalification letter. The appraisals of

both properties are underway, and the first appraisal for where Mr. Berger-Hermes resides was received today, and the appraised value is \$1,297,000.

The staff time and costs of overseeing two properties with tenants are not in the best interest of the Borough, and this approach has been in place for many years. The intent is to sell the properties and return them to private hands. A resolution is being prepared for the June 20, 2023, Assembly meeting to direct the Borough Manager to allow continued tenancy for both tenants through December 31, 2024.

Borough Annual Comprehensive Financial Report (Audit): The Borough's fiscal year 2022 (year ending June 30, 2022) annual comprehensive financial report (ACFR) is now available online at: <https://transparency.matsugov.us/pages/acfr>.

LID 645 Moose Park Subdivision II Paving Project: During the June 6 Assembly meeting, the Moose Park Subdivision Paving LID was discussed. Three paving LIDs will be re-introduced for Assembly approval on July 18, 2023, as Administration determined they should be re-balloted as estimated expenses increased significantly. The 2023 estimates for Moose Park increased by 27% over the original estimates provided during balloting. All three LIDs passed by less than the threshold introduced in Ordinance 23-057 for public hearing on June 20, 2023.

The following are the timelines associated with the three LIDs. It is unlikely that the Moose Park Subdivision would have been accomplished last year based on the timing of the approval in June. The Borough should have updated the estimates earlier, allowing more time to re-ballot. Public Works staff are developing a plan to construct improvements for these LIDs during the 2023 construction season. This work will depend on the re-balloting results and will likely include contract approvals for Assembly approval at the July 18 meeting. All three LID re-ballots were sent via certified mail on June 2, 2023, and ordinances will be re-introduced on June 20, 2023, for public hearing on July 18, 2023.

LID638 – Ridgfield & Drinkhouse Drives originally passed with 64% (Ballots mailed 11; Yes votes 7; No votes 0; Not returned 4)

March 2, 2021 - Petitions received and cost estimate requested

March 14, 2022 - Cost estimate received

November 22, 2022 – Original OR approved by Assembly

May 17, 2023 – Email from Public Works regarding the increased cost estimate with 2023 figures

LID645 – Moose Park Subdivision II, originally passed with 63% (Ballots mailed 65; Yes votes 41; No votes 3; Not returned 21)

October 25, 2021 – Petitions received and cost estimate requested.

February 24, 2022 – Cost estimate received

June 21, 2022 – Original OR approved by Assembly

May 17, 2023 – Email from Public Works regarding the increased cost estimate with 2023 figures

LID647 – Forest Grove Circle, originally passed with 55% (Ballots mailed 22; Yes votes 12; No votes 0; Not returned 10)

July 19, 2022 – Petitions received and cost estimate requested

March 14, 2022 – Cost estimate received

November 22, 2022 – Original OR approved by Assembly

May 17, 2023 – Email from Public Works regarding the increased cost estimate with 2023 figures

Public Affairs Media Flyover:

State

- [Dunleavy administration pushes for policy change to limit trans kids in school sports](#)
ADN

Assembly

- [Derelict property with long history of complaints brought to MSB Assembly](#)
Frontiersman
- [Borough Assembly member Yundt in violation of Clean Water Act](#)
Frontiersman

First Responders

- [How bystanders can make a difference in an emergency](#)
Frontiersman

Transportation Infrastructure

- [Seldon Road extension enters next phase to connect Palmer to Meadow Lakes](#)
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Cities

- [Wasilla Hazard Mitigation Plan update underway](#)
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Economy

- [The Resilient Mat-Su Economy](#)
Alaska Economic Trends – June 2023