

FINANCE COMMITTEE WORKSESSION AGENDA

June 18, 2015

5:30 p.m.

Mona Lisa Drexler Assembly Chambers
Fairbanks North Star Borough Administrative Center
809 Pioneer Road
Fairbanks, Alaska

1. MEMORANDA/REPORTS/PRESENTATIONS

NONE

2. CONTRACTS/BID AWARDS

NONE

3. ADVANCED ORDINANCES AND RESOLUTIONS

- a. ORDINANCE NO. 2015-32. An Ordinance Approving A Community Purpose Exemption From The Levy Of Borough Property Taxes For The Raven Landing Community Center Owned By The Retirement Community Of Fairbanks.
(Sponsors: Mayor Hopkins and Assemblymember Davies) **(Page 3)**
- b. ORDINANCE NO. 2015-33. An Ordinance Granting A Ten Year Deteriorated Property Exemption To Lot 3B, Weeks Field Community Phase II For The Final Phase Of The Raven Landing Senior Citizen Housing Project.
(Sponsors: Mayor Hopkins and Assemblymember Davies) **(Page 14)**
- c. ORDINANCE NO. 2015-28. An Ordinance Expanding, Clarifying And Amending Title 3 Of The Fairbanks North Star Borough Code Regarding Board Of Equalization Appeals And "Unable To Comply" Determinations.
(Sponsor: Assemblymember Roberts) **(Page 25)**

ADVANCED ORDINANCES AND RESOLUTIONS - continued

- d. ORDINANCE NO. 2015-27. An Ordinance Amending FNSBC 3.01.100 Regarding Requests For Waiver Of Property Tax Penalties To Include The Loss Of A Property Tax Exemption As A Penalty Subject To Waiver. (Sponsor: Assemblymember Roberts) **(Page 32)**
- e. ORDINANCE NO. 2014-20-2J. An Ordinance Amending The FY 2014-15 Budget By Appropriating \$3,705,000 From The Facilities Maintenance Reserve And \$18,000 From The Carlson Center Reserve To The Capital And Enterprise Projects Funds For Various Borough-Wide Facilities And Equipment Projects. (Sponsor: Mayor Hopkins) **(Page 36)**
- f. ORDINANCE NO. 2014-20-2K. An Ordinance Amending The FY 2014-15 Budget By Reappropriating \$40,000 From The Transit Enterprise Operating Fund To The Transit Enterprise Projects Fund For The Bus Stop Shelters Land Acquisition Process Project. (Sponsor: Mayor Hopkins) **(Page 43)**
- g. ORDINANCE NO. 2015-20-1A. An Ordinance Amending The FY 2015-16 Budget By Appropriating \$165,385 In Federal Pass-Through Grant Funds And \$125,479 In Transit Local Matching Funds To The Transit Enterprise Projects Fund For The Continued Operation And Expansion Of An Existing Metropolitan Area Commuter System (MACS) Transit Route Along Farmers Loop Road And By Authorizing An Additional 2.0 Full-Time Equivalent (FTE) Grant-Funded Positions. (Sponsor: Mayor Hopkins) **(Page 49)**

4. OTHER COMMITTEE BUSINESS/DISCUSSION ITEMS

- a. Monthly Budget Reports
- b. General Fund Updated Fund Balance Report

5. ASSEMBLY/MAYOR COMMENTS

6. ADJOURNMENT



Fairbanks North Star Borough

Assessing Department assessor@fnsb.us

809 Pioneer Road ☆ P.O. Box 71267 ☆ Fairbanks, Alaska 99707-1267 (907) 459-1428 ☆ FAX (907) 459-1416

MEMORANDUM

To: Fairbanks North Star Borough Assembly

Through: Luke T. Hopkins, Borough Mayor *LH*

From: Pat Carlson, Director, Assessing Department *PC*

Date: April 22, 2015

Subject: Transmittal of Due Diligence Report for Exemption Applications
Ordinance #2015-32

Please accept this memorandum as documentation provided for the consideration of the exemption applications by the Retirement Community of Fairbanks, (hereafter RCF). As required by FNSB Code 3.10.060, I have reviewed the application for tax exempt status for RCF in their request for a Community Purpose exemption under FNSB Code 3.10.010 B that would apply to the Raven Landing Community Center. The applicant also seeks to have an adjacent tract included in their existing 10 year from date of completion deteriorated property exemption under FNSB Code 3.10.010 C.

As required by code I have reviewed the records and submission by RCF to insure they are in full compliance with the criteria for eligibility under FNSB Code 3.11. My findings are that they are in full compliance with this code section. The organization is well managed and has provided a clean audit by the accounting firm of Kohler, Schmitt and Hutchison for the 2013 and 2014 calendar years.

The bylaws of RCF state that no board members will receive compensation other than reimbursement for reasonable expenses. None of the board members or officers are employed by RCF and operations are carried out by staff employed by them.

I have on file documentation that was used as part of my review and the applicant has presented a letter which is attached in support of the application. I have also attached an aerial documenting that the tract being added is within the original area approved by the Assembly in the 2008 initial ordinance approving deteriorated property status and eligibility for the 10 year exemption.

I have also generated a spreadsheet show the current level of taxation, the year first approved through the year ending for exempt status. It also lists estimated taxes for the new parcel using a value for land and improvements of \$6,000,000. This value would be subject to review after project completion but is a reasonable estimate based on values reflected in the existing project.

As required by FNSB Code 3.10.030 B, I have determined that the applicant is eligible for consideration for the referenced tax exemption and the application is complete. A copy of this memorandum, the application and supporting information along with the draft ordinance has been submitted to the Borough Clerk and to the Economic Development Commission which has 21 days from the date of transmittal to provide a written recommendation to the Assembly through the Clerk's office.

1 By: Luke T. Hopkins
2 John Davies
3 Introduced: June 11, 2015
4
5

6 FAIRBANKS NORTH STAR BOROUGH

7
8 ORDINANCE NO. 2015 - 32
9

10 AN ORDINANCE APPROVING A COMMUNITY PURPOSE EXEMPTION FROM THE
11 LEVY OF BOROUGH PROPERTY TAXES FOR THE RAVEN LANDING COMMUNITY
12 CENTER OWNED BY THE RETIREMENT COMMUNITY OF FAIRBANKS
13

14 WHEREAS, the Retirement Community of Fairbanks (hereafter RCF) was
15 created to provide senior citizen rental housing and support services; and
16

17 WHEREAS, the RCF is a non-profit 501(c)(3) organization and is governed
18 by a volunteer board of directors who receive no income from RCF for their services;
19 and
20

21 WHEREAS, the RCF operates the Raven Landing Community Center that
22 provides seniors with increased quality of life by providing meals, exercise, education
23 and cultural activities to the housing residents and the community at large; and
24

25 WHEREAS, the payment of property tax reduces the revenues available
26 for providing these health, social and cultural services; and
27

28 WHEREAS, the Economic Development Commission has been given a
29 copy of this ordinance and application in order to review and comment to the Assembly.
30

31 NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks
32 North Star Borough:
33

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be *added* is underlined
Text to be *deleted* is [BRACKETED, CAPITALIZED]

34 Section 1. Classification. Section 2 and 3 of this ordinance are not of a
35 general and permanent nature and shall not be codified. Section 4 of this ordinance is
36 of a general and permanent nature and shall be codified.

37
38 Section 2. The Assembly finds that there is a direct and substantial
39 community purpose and benefit to the borough from RCF's use of the property.

40
41 Section 3. The real property listed below in Section 4, so long that it is
42 owned and used for the exempt purpose by RCF, is hereby exempt from the borough's
43 areawide levy of property taxes pursuant to the authority of AS 29.45.050 (b) (1) (A) and
44 FNSB Code 3.10.010. B.

45
46 Section 4. Section 3.08.021 is amended by adding subsection I as
47 follows:

48 As permitted by AS 29.45.050. (b),(1),(A). the real property listed below that is
49 owned by the Retirement Community of Fairbanks and is used exclusively for
50 community purposes. This exemption shall not apply if ever the income from rental of
51 the property exceeds the actual cost to the owner of the use by the renters.

52
53 I. Lot 2A, Weeks Field Community Phase II, Plat #2013-31, PAN #653185,
54 located at 1222 Cowles St. and known as Raven Landing Community
55 Center.

56
57 Section 5. Effective Date. This ordinance shall be effective at 5:00 p.m.
58 of the first Borough business day following its adoption.

59

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be *added* is underlined
Text to be *deleted* is [BRACKETED, CAPITALIZED]

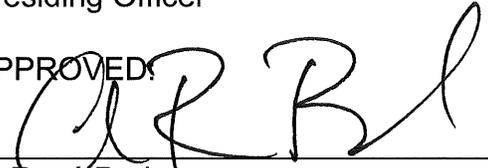
60
61
62
63
64
65
66
67
68
69
70
71
72
73

PASSED AND APPROVED THIS _____ DAY OF _____, 2015.

Karl Kassel
Presiding Officer

ATTEST:

APPROVED:



Nanci Ashford-Bingham, MMC
Borough Clerk

A. René Broker
Borough Attorney

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be *added* is underlined
Text to be *deleted* is [BRACKETED, CAPITALIZED]

March 24, 2015

Application of Retirement Community of Fairbanks for Property Tax Exemption

The Retirement Community of Fairbanks (RCF) is a Fairbanks non-profit corporation in the State of Alaska, formed for the purpose of creating a residential complex for the use of all area seniors, without the requirement of very low income. With developers Weeks Field Development Group, we have acquired part of the dilapidated Fairview Manor property, razed the old buildings, and built Raven Landing Senior Community. This campus also includes Raven Landing Community Center, which serves both the residents and the entire borough citizenry.

The campus, along with Weeks Field Estates, an affordable housing property, received a ten-year exemption from Borough property taxes from the Assembly in 2008 (Ordinance 2008-21), dating from the first complete year of occupancy of each building. The remaining 2.8 acres of the Fairview plot, which comprises the corner of Cowles and Airport, was not included because the developers hoped to develop a commercial property there. The rationale for the exemption was the "deteriorated property" provision under the law. (The City of Fairbanks allowed us a 50% reduction in their property taxes.)

Raven Landing's apartment buildings have filled within a few months of completion, and all vacancies have people waiting for them. In fact, there are over 150 people on the inactive waiting list and about 10 on the active list at any given time.

Our original business plan called for 96 apartments and we currently have 60. We plan to build one more building, slightly larger and one story higher, with 35 apartments, which will complete this project. But we will need to buy more land, and have an agreement with the owners of the remaining 2.8 acres to sell us that final piece.

Our general manager, Susan Motter, and our Board Finance Chairman, Mike Cook, have developed a pro forma budget for the completed campus, as part of an application for a construction loan from Mt. McKinley Bank. The question of whether we will have to pay full property taxes on the new building has a large bearing on the appraiser's report to the bank, which in turn helps determine the amount of money available for building.

So we are applying for an exemption for the remaining 2.8 acres, all to be used for senior living and the needed outbuildings and parking. Since we are now demonstrating that Raven Landing definitely serves a public purpose, we are asking that we now be exempted under the "community uses property" rubric of the FNSB Code. Following are supporting statements requested in the exemption application:

#2. Direct and substantial benefit to the Borough

The most direct benefit to many local families is having safe, convenient, and pleasant homes for their senior members, while remaining in Fairbanks close to relatives. These residents are spending their

retirement income here, instead of Outside. They are active in volunteering and many organizations, and require less in community support such as meals and personal care.

Several who have left the state to find supportive housing have now returned to live at Raven Landing, and several who never lived in Fairbanks have come to be near their loved ones. These also add their income to the local economy. In addition, we have created 20 jobs, at least 7 of them full time, and the expansion will create more.

Raven Landing Community Center is open to all ages, every weekday and for many weekend and evening events. There is a charge for groups to use the more important rooms, which helps pay for utilities and staff, but many groups use the Center free, for example the recent Bard-a-thon by Fairbanks Shakespeare Theatre.

#10 Used for any other activity?

More than half the additional land will be needed for the larger apartment building, parking, and garages. There will be approximately 1.2 acres at the southern corner that we would like to use for an assisted living building, when we can find the funding.

#13 Extent to which the tax exemption is necessary

Our residents' financial resources are in many cases very limited, so we charge only what we need for responsible management. Adding property taxes to the bill would require about \$2820 more per year, per resident, than they are now paying. (I estimated total finished value, at 15 mils.) Some could not afford that.

#14 Existing entities providing similar benefits

Golden Towers	Moore St. Apartments
Southall Manor	Pioneers Home

Note: The first three require that income be less than 50% of the Fairbanks median. The Pioneers Home has a long waiting list.

#15 Degree to which our organization's use of the property will impact quality of life

It is clear that residents' lives are safer, healthier, and more enjoyable than when they were far from their families, or struggling to maintain houses of their own. Their families are all relieved to have their elders here and happy, and they often visit. Our dining room frequently has grandchildren and great-grandchildren brightening everyone's outlook.

Raven Hall has proven to be the multi-use facility we had planned. It has housed concerts, large meetings, weddings, memorial services, a bazaar, a high school prom, and church services, and is now equipped as a theater, with stage, projector, screen, and sound system. Raven Landing Center (and the common rooms of the apartment buildings) will continue to grow as a cultural and entertainment hub of the Borough.

Retirement Community of Fairbanks

Organization

The Retirement Community of Fairbanks is incorporated in the State of Alaska as a non-profit corporation. The IRS has recognized it as tax-exempt under Section 501 (c)(3). Our tax-exempt ID number is 20-1253962.

The corporation is governed by a board of directors, which has ownership of the property, hires management, and sets policy. The current directors are listed below:

Karen Parr, President	retired teacher and municipal legislator
Mary E. Greene, Vice President	retired judge, retired Univ. of Alaska
Mike Cook, Treasurer	Cook & Haugeberg, CPAs, former member AHFC Board
Mary Ann Borchert, Secretary	Retired from UAF research and administration
Arlayne Knox	retired teacher & Presbyterian deacon
Randy Cheap	Alaska Works Partnership manager
Kathy Ellingson	RN, Case Manager, FM Hospital
Emily Ennis	Exec. Director, Fairbanks Resource Agency
Galen Johnson	UAF CTC construction management faculty

By-laws allow up to 13 members.

Board meetings are scheduled for the third Tuesday of each month at 4:00 p.m. in the Conference Room of Raven Landing Community Center.

RCF offices are on the third floor of Raven Landing 1, 949 McGown St., Fairbanks, Alaska 99701.

Phone: 907- 374 - 5016

Email: retirement@gci.net

Web address: www.ravenlanding.org

23 March 2015

**FNSB Community Purpose
Property Tax Exemption
Documentation**

The following is a list of items needed to process your application. Please ensure that you attach typed or easily readable responses to each of the following items. Wherever possible, please support your responses with relevant documentation and other evidence. If you have questions, please contact the Assessor or Deputy Assessor at 459-1420.

- 1.) Please submit an exact copy of your most recent Return of Organization Exempt from Income Tax Return (Form 990) and your Federal Unrelated Business Income Tax Return (Form 990T)²
- 2.) Please submit any information that you believe documents how your operation provides a direct and substantial benefit to the Borough.
- 3.) Will the property be open to public use regardless of sex, race, creed, color, or national origin? YES NO If no, please explain by attachment.
- 4.) Is your organization qualified as an exempt organization under Section 501 (c) (3) of the Internal Revenue Code? YES NO If no, please explain by attachment.
- 5.) Will any part of the net earnings of your organization inure to the benefit of any private entity or individual? YES NO If yes, please explain by attachment.
- 6.) Will you charge for services, admission or use of the property? YES NO
If yes, please set forth your fee schedule.
- 7.) Does any officer, trustee, director, shareholder, member or contributor financially benefit, including being an employee, from the use of this property YES NO
If yes, please set forth a list and explanation of how and who benefits.
- 8.) Do you have paid staff? YES NO
If yes, please set forth a list of employees listing title, compensation by type and amount.
- 9.) Can you certify that the property is used for the actual operation of the community activity and does not exceed an amount of property reasonably necessary for the accomplishment of the community activity? YES NO
- 10.) Is the property used for any other activity? YES NO
If yes, please set forth a description and explanation of the other uses including and estimate of how much the property is used in total for other activities.
- 11.) Can you certify that the actual or anticipated fees and charges for the use of the property and facilities thereon do not effectively deny a significant portion of the borough, the privileges and benefits provided by the property? YES NO
- 12.) Are the members of your organization's Board of Directors volunteers? YES NO If no, please explain by attachment.
- 13.) Please describe by attachment, whether and to what extent the tax exemption is necessary to provide the community benefit.
- 14.) Please describe by attachment any existing public or private entities you are aware of that provide substantially similar community benefits.
- 15.) Please describe by attachment the degree you believe your organization's use of the property will impact the quality of life of borough residents.
- 16.) Please provide by attachment a list of your operational costs and expenses.

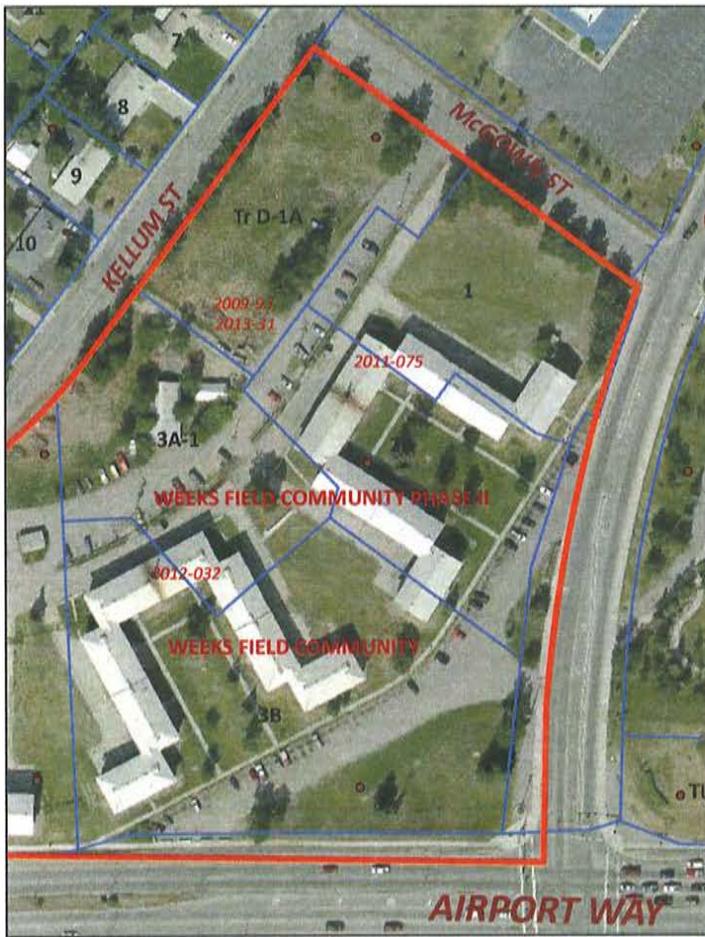
² If your application is approved, you will be required to submit exact copies to the Assessor of Forms 990 and 990T annually within 30 days of the required filing date with the Internal Revenue Service.

	Street Address		PAN #	2015 Full Value	Base EX Year	Last EX Year	Annual Ex Taxes 2014	10 yrs 2014 levy
Raven #1 20 units	949 McGown St.	Tract D1-A	0653175	\$ 3,480,031	2011	2021	\$ 39,519.23	\$ 395,192.32
Raven #2 20 units	945 McGown St.	Lot 1	0636459	\$ 3,695,041	2013	2023	\$ 41,960.89	\$ 419,608.86
Raven #3 20 units	1035 Kellum St.	Lot 3A-1	0653195	\$ 3,609,913	2013	2023	\$ 40,994.17	\$ 409,941.72
*Community Center	1222 Cowles St.	Lot 2A	0653185	\$ 2,522,458	2014	*2024	\$ 28,645.03	\$ 286,450.33
				Estimated Value Complete				
Vacant Lot 34 units	NHN Kellum St.	Lot 3B	0645506	\$ 6,000,000	2017	2027	\$ 68,136.00	\$ 681,360.00
1st Year Exempt = 2017	Mill Levy (2014) =	Base Levy 11.356 mills	Tax Est. =	\$ 68,136				

Values and Tax are a flat rate based on the FNSB 2014 Base Levy of 11.356 mills without City of Fairbanks over the 10 year term.

*Assumes no change to exempt status.

Fairview Manor (2009)



Ravens Landing (2012)



- Boundary of Lot 1 Block 137 Weeks Field from
- Parcels boundary



MEMORANDUM

To: Fairbanks North Star Borough Assembly
Through: Luke T. Hopkins, Borough Mayor *LH*
From: Pat Carlson, Director, Assessing Department *PC*
Date: April 22, 2015
Subject: Transmittal of Due Diligence Report for Exemption Applications
Ordinance #2015-33

Please accept this memorandum as documentation provided for the consideration of the exemption applications by the Retirement Community of Fairbanks, (hereafter RCF). As required by FNSB Code 3.10.060, I have reviewed the application for tax exempt status for RCF in their request for a Community Purpose exemption under FNSB Code 3.10.010 B that would apply to the Raven Landing Community Center. The applicant also seeks to have an adjacent tract included in their existing 10 year from date of completion deteriorated property exemption under FNSB Code 3.10.010 C.

As required by code I have reviewed the records and submission by RCF to insure they are in full compliance with the criteria for eligibility under FNSB Code 3.11. My findings are that they are in full compliance with this code section. The organization is well managed and has provided a clean audit by the accounting firm of Kohler, Schmitt and Hutchison for the 2013 and 2014 calendar years.

The bylaws of RCF state that no board members will receive compensation other than reimbursement for reasonable expenses. None of the board members or officers are employed by RCF and operations are carried out by staff employed by them.

I have on file documentation that was used as part of my review and the applicant has presented a letter which is attached in support of the application. I have also attached an aerial documenting that the tract being added is within the original area approved by the Assembly in the 2008 initial ordinance approving deteriorated property status and eligibility for the 10 year exemption.

I have also generated a spreadsheet show the current level of taxation, the year first approved through the year ending for exempt status. It also lists estimated taxes for the new parcel using a value for land and improvements of \$6,000,000. This value would be subject to review after project completion but is a reasonable estimate based on values reflected in the existing project.

As required by FNSB Code 3.10.030 B, I have determined that the applicant is eligible for consideration for the referenced tax exemption and the application is complete. A copy of this memorandum, the application and supporting information along with the draft ordinance has been submitted to the Borough Clerk and to the Economic Development Commission which has 21 days from the date of transmittal to provide a written recommendation to the Assembly through the Clerk's office.

1 By: Luke T. Hopkins
2 John Davies
3 Introduced: June 11, 2015
4

5 FAIRBANKS NORTH STAR BOROUGH

6
7 ORDINANCE NO. 2015- 33
8

9 AN ORDINANCE GRANTING A TEN YEAR DETERIORATED PROPERTY
10 EXEMPTION TO LOT 3B, WEEKS FIELD COMMUNITY PHASE II FOR THE FINAL
11 PHASE OF THE RAVEN LANDING SENIOR CITIZEN HOUSING PROJECT
12

13 WHEREAS, The Retirement Community of Fairbanks received a 10 year
14 deteriorated property tax exemption for 60 units of residential housing and the
15 community center now known as the Raven Landing Senior Citizen Community by
16 Ordinance 2008-21; and
17

18 WHEREAS, The subject property is a portion of Lot 1, Block 37 Weeks
19 Field subdivision known as the Fairview Manor housing project, which was previously
20 declared a deteriorated property by FNSB Ord. 2008-21; and
21

22 WHEREAS, Although located within the boundaries of the declared
23 deteriorated property area, the subject property was excluded from eligibility for the
24 deteriorated property tax exemption as it was not a part of the property being developed
25 by the Retirement Community of Fairbanks when Ordinance 2008-21 was adopted; and
26

27 WHEREAS, An application has been submitted by the Retirement
28 Community of Fairbanks requesting a deteriorated property tax exemption for Lot 3B
29 pursuant to AS 29.45.050 (o), FNSBC 3.10.010 C., and FNSBC 3.11.040-070; and
30

31 WHEREAS, The applicant is a eligible non-profit 501(c)(3) entity created
32 to develop the Ravens Landing senior citizen campus which owns and successfully

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be *added* is underlined
Text to be *deleted* is [BRACKETED, CAPITALIZED]

33 operates 60 units of senior rental housing and a senior community center on an
34 adjacent portion of the deteriorated Fairview Manor site; and

35
36 WHEREAS, The applicant is in negotiation for acquisition of the property
37 and financing in order to construct an additional 35 units of senior rental housing as a
38 final phase to the Ravens Landing complex; and

39
40 WHEREAS, The addition of these units will maximize economic
41 productivity of the project and allow for the continued operation of the campus in
42 professional and sustainable manner; and

43
44 WHEREAS, The Economic Development Commission has been given a
45 copy of the application and is providing a written recommendation to the Assembly as
46 per FNSB Code 3.10.030 B; and

47
48 NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks
49 North Star Borough:

50
51 Section 1. Classification. This ordinance is not of a general and
52 permanent nature and shall not be codified.

53
54 Section 2. The application is consistent with the use of the adjacent
55 properties and eligible for the 10 year property tax exemption to begin on the tax year
56 following project completion of 35 units of residential housing owned by the applicant
57 and recordation of a certificate of occupancy.

58
59 Section 3. The Assembly finds as follows:

60 A. The exemption is necessary to the economic feasibility of completing
61 improvements on the property and will promote economic development in the
62 borough; and

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be added is underlined
Text to be deleted is [BRACKETED, CAPITALIZED]

- 63 B. The property owner is in compliance with all Alaskan municipal and state of
64 Alaska obligations; and
65 C. The exemption will provide public benefits commensurate with the level of
66 incentive granted; and
67 D. The improvements planned for the property are compatible with land use and
68 development plans of the borough.
69

70 Section 4. The Assembly hereby grants Lot 3B, Weeks Field Community
71 Phase II, a 10 year exemption from property tax to begin the tax year following
72 recordation of a certificate of occupancy for the final phase of the Ravens Landing
73 complex subject to the requirements of state statute and FNSBC chapters 3.10 and
74 3.11.
75

76 Section 5 . Effective date. This ordinance shall be effective at 5:00 p.m.
77 on the first borough business day following its adoption.
78

79 PASSED AND APPROVED THIS ____ DAY OF _____, 2015.
80

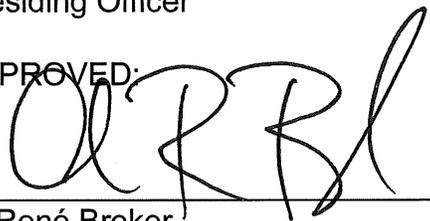
81
82
83
84
85
86
87
88
89
90
91

ATTEST:

Nanci Ashford-Bingham, MMC
Borough Clerk

Karl Kassel
Presiding Officer

APPROVED:



A. René Broker
Borough Attorney

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be added is underlined
Text to be deleted is [BRACKETED, CAPITALIZED]

March 24, 2015

Application of Retirement Community of Fairbanks for Property Tax Exemption

The Retirement Community of Fairbanks (RCF) is a Fairbanks non-profit corporation in the State of Alaska, formed for the purpose of creating a residential complex for the use of all area seniors, without the requirement of very low income. With developers Weeks Field Development Group, we have acquired part of the dilapidated Fairview Manor property, razed the old buildings, and built Raven Landing Senior Community. This campus also includes Raven Landing Community Center, which serves both the residents and the entire borough citizenry.

The campus, along with Weeks Field Estates, an affordable housing property, received a ten-year exemption from Borough property taxes from the Assembly in 2008 (Ordinance 2008-21), dating from the first complete year of occupancy of each building. The remaining 2.8 acres of the Fairview plot, which comprises the corner of Cowles and Airport, was not included because the developers hoped to develop a commercial property there. The rationale for the exemption was the "deteriorated property" provision under the law. (The City of Fairbanks allowed us a 50% reduction in their property taxes.)

Raven Landing's apartment buildings have filled within a few months of completion, and all vacancies have people waiting for them. In fact, there are over 150 people on the inactive waiting list and about 10 on the active list at any given time.

Our original business plan called for 96 apartments and we currently have 60. We plan to build one more building, slightly larger and one story higher, with 35 apartments, which will complete this project. But we will need to buy more land, and have an agreement with the owners of the remaining 2.8 acres to sell us that final piece.

Our general manager, Susan Motter, and our Board Finance Chairman, Mike Cook, have developed a pro forma budget for the completed campus, as part of an application for a construction loan from Mt. McKinley Bank. The question of whether we will have to pay full property taxes on the new building has a large bearing on the appraiser's report to the bank, which in turn helps determine the amount of money available for building.

So we are applying for an exemption for the remaining 2.8 acres, all to be used for senior living and the needed outbuildings and parking. Since we are now demonstrating that Raven Landing definitely serves a public purpose, we are asking that we now be exempted under the "community uses property" rubric of the FNSB Code. Following are supporting statements requested in the exemption application:

#2 Direct and substantial benefit to the Borough

The most direct benefit to many local families is having safe, convenient, and pleasant homes for their senior members, while remaining in Fairbanks close to relatives. These residents are spending their

retirement income here, instead of Outside. They are active in volunteering and many organizations, and require less in community support such as meals and personal care.

Several who have left the state to find supportive housing have now returned to live at Raven Landing, and several who never lived in Fairbanks have come to be near their loved ones. These also add their income to the local economy. In addition, we have created 20 jobs, at least 7 of them full time, and the expansion will create more.

Raven Landing Community Center is open to all ages, every weekday and for many weekend and evening events. There is a charge for groups to use the more important rooms, which helps pay for utilities and staff, but many groups use the Center free, for example the recent Bard-a-thon by Fairbanks Shakespeare Theatre.

#10 Used for any other activity?

More than half the additional land will be needed for the larger apartment building, parking, and garages. There will be approximately 1.2 acres at the southern corner that we would like to use for an assisted living building, when we can find the funding.

#13 Extent to which the tax exemption is necessary

Our residents' financial resources are in many cases very limited, so we charge only what we need for responsible management. Adding property taxes to the bill would require about \$2820 more per year, per resident, than they are now paying. (I estimated total finished value, at 15 mils.) Some could not afford that.

#14 Existing entities providing similar benefits

Golden Towers	Moore St. Apartments
Southall Manor	Pioneers Home

Note: The first three require that income be less than 50% of the Fairbanks median. The Pioneers Home has a long waiting list.

#15 Degree to which our organization's use of the property will impact quality of life

It is clear that residents' lives are safer, healthier, and more enjoyable than when they were far from their families, or struggling to maintain houses of their own. Their families are all relieved to have their elders here and happy, and they often visit. Our dining room frequently has grandchildren and great-grandchildren brightening everyone's outlook.

Raven Hall has proven to be the multi-use facility we had planned. It has housed concerts, large meetings, weddings, memorial services, a bazaar, a high school prom, and church services, and is now equipped as a theater, with stage, projector, screen, and sound system. Raven Landing Center (and the common rooms of the apartment buildings) will continue to grow as a cultural and entertainment hub of the Borough.

Retirement Community of Fairbanks

Organization

The Retirement Community of Fairbanks is incorporated in the State of Alaska as a non-profit corporation. The IRS has recognized it as tax-exempt under Section 501 (c)(3). Our tax-exempt ID number is 20-1253962.

The corporation is governed by a board of directors, which has ownership of the property, hires management, and sets policy. The current directors are listed below:

Karen Parr, President	retired teacher and municipal legislator
Mary E. Greene, Vice President	retired judge, retired Univ. of Alaska
Mike Cook, Treasurer	Cook & Haugeberg, CPAs, former member AHFC Board
Mary Ann Borchert, Secretary	Retired from UAF research and administration
Arlayne Knox	retired teacher & Presbyterian deacon
Randy Cheap	Alaska Works Partnership manager
Kathy Ellingson	RN, Case Manager, FM Hospital
Emily Ennis	Exec. Director, Fairbanks Resource Agency
Galen Johnson	UAF CTC construction management faculty

By-laws allow up to 13 members.

Board meetings are scheduled for the third Tuesday of each month at 4:00 p.m. in the Conference Room of Raven Landing Community Center.

RCF offices are on the third floor of Raven Landing 1, 949 McGown St., Fairbanks, Alaska 99701.

Phone: 907- 374 - 5016

Email: retirement@gci.net

Web address: www.ravenlanding.org

23 March 2015

**FNSB Community Purpose
Property Tax Exemption
Documentation**

The following is a list of items needed to process your application. Please ensure that you attach typed or easily readable responses to each of the following items. Wherever possible, please support your responses with relevant documentation and other evidence. If you have questions, please contact the Assessor or Deputy Assessor at 459-1420.

- 1.) Please submit an exact copy of your most recent Return of Organization Exempt from Income Tax Return (Form 990) and your Federal Unrelated Business Income Tax Return (Form 990T)²
- 2.) Please submit any information that you believe documents how your operation provides a direct and substantial benefit to the Borough.
- 3.) Will the property be open to public use regardless of sex, race, creed, color, or national origin? YES NO ___ If no, please explain by attachment.
- 4.) Is your organization qualified as an exempt organization under Section 501 (c) (3) of the Internal Revenue Code? YES NO ___ If no, please explain by attachment.
- 5.) Will any part of the net earnings of your organization inure to the benefit of any private entity or individual? YES ___ NO If yes, please explain by attachment.
- 6.) Will you charge for services, admission or use of the property? YES NO ___
If yes, please set forth your fee schedule.
- 7.) Does any officer, trustee, director, shareholder, member or contributor financially benefit, including being an employee, from the use of this property YES ___ NO
If yes, please set forth a list and explanation of how and who benefits.
- 8.) Do you have paid staff? YES NO ___
If yes, please set forth a list of employees listing title, compensation by type and amount.
- 9.) Can you certify that the property is used for the actual operation of the community activity and does not exceed an amount of property reasonably necessary for the accomplishment of the community activity? YES NO ___
- 10.) Is the property used for any other activity? YES ___ NO
If yes, please set forth a description and explanation of the other uses including and estimate of how much the property is used in total for other activities.
- 11.) Can you certify that the actual or anticipated fees and charges for the use of the property and facilities thereon do not effectively deny a significant portion of the borough, the privileges and benefits provided by the property? YES NO ___
- 12.) Are the members of your organization's Board of Directors volunteers? YES NO ___ If no, please explain by attachment.
- 13.) Please describe by attachment, whether and to what extent the tax exemption is necessary to provide the community benefit.
- 14.) Please describe by attachment any existing public or private entities you are aware of that provide substantially similar community benefits.
- 15.) Please describe by attachment the degree you believe your organization's use of the property will impact the quality of life of borough residents.
- 16.) Please provide by attachment a list of your operational costs and expenses.

² If your application is approved, you will be required to submit exact copies to the Assessor of Forms 990 and 990T annually within 30 days of the required filing date with the Internal Revenue Service.

	Street Address		PAN #	2015 Full Value	Base EX Year	Last EX Year	Annual Ex Taxes 2014	10 yrs 2014 levy
Raven #1 20 units	949 McGown St.	Tract D1-A	0653175	\$ 3,480,031	2011	2021	\$ 39,519.23	\$ 395,192.32
Raven #2 20 units	945 McGown St.	Lot 1	0636459	\$ 3,695,041	2013	2023	\$ 41,960.89	\$ 419,608.86
Raven #3 20 units	1035 Kellum St.	Lot 3A-1	0653195	\$ 3,609,913	2013	2023	\$ 40,994.17	\$ 409,941.72
*Community Center	1222 Cowles St.	Lot 2A	0653185	\$ 2,522,458	2014	*2024	\$ 28,645.03	\$ 286,450.33
				Estimated Value Complete				
Vacant Lot 34 units	NHN Kellum St.	Lot 3B	0645506	\$ 6,000,000	2017	2027	\$ 68,136.00	\$ 681,360.00
1st Year Exempt = 2017	Mill Levy (2014) =	Base Levy 11.356 mills	Tax Est. =	\$ 68,136				

Values and Tax are a flat rate based on the FNSB 2014 Base Levy of 11.356 mills without City of Fairbanks over the 10 year term.

*Assumes no change to exempt status.

Fairview Manor (2009)



Ravens Landing (2012)



- Boundary of Lot 1 Block 137 Weeks Field from
- Parcels boundary

EDC RESOLUTION NO. 2015-01

A RESOLUTION OF THE FAIRBANKS NORTH STAR BOROUGH
ECONOMIC DEVELOPMENT COMMISSION
RECOMMENDING APPROVAL OF A COMMUNITY PURPOSE EXEMPTION FROM THE
LEVY OF BOROUGH PROPERTY TAXES FOR A PROPERTY OWNED AND USED
BY THE RETIREMENT COMMUNITY OF FAIRBANKS

WHEREAS, the Retirement Community of Fairbanks (hereafter RCF) was created to provide senior citizen rental housing and support services; and

WHEREAS, the RCF is a non-profit 501 (c) (3) organization and is governed by a volunteer board of directors who receive no income from RCF for their services;
and

WHEREAS, the RCF operates the Raven Landing Community Center that provides seniors with increased quality of life by providing meals, exercise, education and cultural activities to the housing residents and the community at large; and

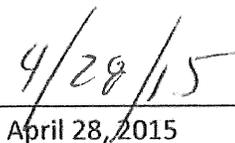
WHEREAS, the payment of property tax reduces the revenues available for providing these health, social and cultural services; and

WHEREAS, the Economic Development Commission is required by ordinance to review and make recommendations on proposed tax exemptions within the Fairbanks North Star Borough;

NOW THEREFORE BE IT RESOLVED that the Fairbanks North Star Borough Economic Development Commission recommends that the Fairbanks North Star Borough Assembly enact an ordinance providing a community purpose exemption from the levy of borough property taxes for the Retirement Community of Fairbanks Community Center.

Approved _____


Chair's Signature


April 28, 2015

By: Lance Roberts
Introduced: April 23, 2015

1
2
3
4
5 FAIRBANKS NORTH STAR BOROUGH

6
7 ORDINANCE NO. 2015 - 28

8
9 AN ORDINANCE EXPANDING, CLARIFYING AND AMENDING TITLE 3 OF THE
10 FAIRBANKS NORTH STAR BOROUGH CODE REGARDING BOARD OF
11 EQUALIZATION APPEALS AND "UNABLE TO COMPLY" DETERMINATIONS
12

13 WHEREAS, State law (AS 29.5.200) provides that the board of
14 equalization sits "for the purpose of hearing an appeal from a determination of the
15 assessor"; but, a determination of the assessor as to whether property is taxable under
16 law may be appealed directly to superior court; and
17

18 WHEREAS, Current borough code permits certain taxpayers who
19 disagree with the determination of the assessor regarding the tax exempt status of
20 property to appeal to the board of equalization, to superior court or to both; and
21

22 WHEREAS, FNSBC 3.28.030's reference to "both" appeal paths could be
23 misinterpreted to allow simultaneous appeals; and
24

25 WHEREAS, Although current borough code allows certain appeals
26 regarding tax exempt status it does not explicitly provide a deadline or process for filing
27 the appeal to the board of equalization; and
28

29 WHEREAS, The board of equalization may extend the taxpayer's right to
30 appeal the assessment if the taxpayer was "unable to comply" but this process does not
31 explicitly apply to the failure to meet exemption application deadlines or an appeal from
32 an assessor's determination regarding a property tax exemption; and

CODE AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT

Text to be *added* is underlined

Text to be *deleted* is [BRACKETED AND CAPITALIZED]

33
34 WHEREAS, Borough code (FNSBC 3.08.020 F.) as required by state law
35 (AS 29.45.030(f)) separately provides for application deadline waivers of senior citizen
36 and disabled veteran exemptions by the assessor with an appeal to the assembly; and
37

38 WHEREAS, An appeal to the board of equalization is less costly and less
39 time consuming than an appeal to the superior court and allows an additional
40 opportunity to internally and administratively correct any errors prior to court
41 involvement.
42

43 NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks
44 North Star Borough:
45

46 Section 1. This ordinance is of a general and permanent nature and shall
47 be codified.
48

49 Section 2. Section 3.24.001, **Appeal**, shall be amended as follows:

50 A. **Right to appeal.** A person whose name appears on the assessment roll or the
51 agent or assigns of that person may appeal to the board of equalization for relief from
52 an alleged error in valuation not adjusted by the assessor to the appellant's satisfaction.
53 An applicant for a farm use assessment who believes that the valuation or classification
54 assigned to the land that is the subject of the application is erroneous, or an applicant
55 aggrieved by any determination of the assessor regarding a [SENIOR CITIZEN OR
56 DISABLED VETERAN] property tax exemption, may appeal to the board of
57 equalization. A person who missed the deadline to file for an exemption, other than
58 senior citizen or disabled veteran exemptions, or to appeal a valuation or exemption
59 determination may also appeal to the board for a determination concerning whether
60 they were unable to comply with the deadline.

CODE AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT

Text to be *added* is underlined

Text to be *deleted* is [BRACKETED AND CAPITALIZED]

61 **B. Board Appeal Deadlines.** The appellant contesting a property valuation not
62 adjusted to the appellant's satisfaction shall, [WITHIN] no later than 30 days after the
63 date of mailing of notice of assessment, submit to the assessor a written appeal
64 specifying grounds in the form that the board of equalization may require. Appellants
65 contesting any determination of the assessor regarding a property tax exemption must,
66 no later than 10 days after the date of mailing of the assessor's decision, submit to the
67 assessor a written appeal specifying grounds in the form that the board of equalization
68 may require. Otherwise, the right of appeal to the board ceases unless the board of
69 equalization finds that the taxpayer was unable to comply.

70 **C. Unable to comply determinations.** For purposes of this [SUB]section, "unable
71 to comply" means that the failure to timely apply or appeal was based upon a natural
72 catastrophe, extraordinary circumstances, a serious medical or other similar serious
73 condition or other event beyond the taxpayer's control that places the taxpayer in a
74 significantly different situation from a typical taxpayer who misses the deadline. A
75 failure to pick up or read mail, or to make arrangements for an appropriate and
76 responsible person to pick up or read mail, or a failure to timely provide a current
77 address to the office of the borough assessor, will not be deemed to result in an inability
78 to comply and the application or appeal will not be accepted for that tax year.

79 1. All assertions of an inability to comply must be filed by an affidavit setting
80 forth the reasons why the applicant or appellant was unable to file by the deadline. An
81 appellant asserting an inability to comply with the 30-day filing period for alleged errors
82 in valuation must [SHALL] file the affidavit and the written appeal with the assessor [A
83 WRITTEN STATEMENT WITHIN] no later than 30 days from the date of the close of the
84 applicable appeal period of that tax year [SETTING FORTH THE REASONS WHY THE
85 APPELLANT WAS UNABLE TO FILE WITHIN THE 30-DAY PERIOD]. An applicant
86 asserting an inability to comply with the exemption application deadline (other than the
87 filing of a senior or disabled veterans exemption) must file with the assessor the affidavit
88 and the exemption application no later than 15 days from the exemption application
89 deadline. An appellant asserting an inability to comply with the 10 day exemption

CODE AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT

Text to be *added* is underlined

Text to be *deleted* is [BRACKETED AND CAPITALIZED]

90 appeal deadline must file with the assessor the affidavit and the written appeal no later
91 than 10 days from the appeal deadline. The assessor shall supply to the board the
92 [WRITTEN STATEMENT] affidavit with any relevant information and/or documents.
93 The board of equalization shall consider the [MATTER] extension request only on the
94 written submissions and supporting documents and shall not consider evidence
95 regarding property valuation or exemptions.

96 2. If the extension request is granted for a valuation or exemption appeal, the
97 appellant and the property owner shall be notified and the matter will be set for hearing.
98 If the request is denied, the clerk's office shall notify the appellant and the property
99 owner of the board's decision. If the extension request is granted for an exemption
100 application, the assessor shall accept the application as if timely filed.

101 3. The authority provided in this section to grant extensions may not be
102 exercised so as to permit acceptance of an exemption application or appeal other than
103 for the current year.

104 [C] D. Notice of hearing. The assessor shall notify an appellant and the property
105 owner by mail of the time and place of hearing. The notices shall be mailed not later
106 than 10 calendar days before the date of the hearing.

107 [D] E. Summary of assessment data. The assessor shall prepare for use by the
108 board of equalization a summary of assessment data relating to each valuation
109 assessment that is appealed. Upon request of the appellant, the assessor shall provide
110 the appellant with the assessment data that will be presented to the board of
111 equalization relating to each valuation assessment that is appealed.

112 [E] F. Appeals by city. A city in the borough may appeal an assessment to the
113 borough board of equalization in the same manner as a taxpayer. Within five days after
114 receipt of the appeal, the assessor shall notify the person whose property assessment
115 is being appealed by the city.

116

117 Section 3. FNSBC 3.24.012 A., **Procedures**, is amended as follows:

CODE AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT

Text to be *added* is underlined

Text to be *deleted* is [BRACKETED AND CAPITALIZED]

118 A. Exemption appeals shall follow the procedures provided in FNSBC 2.21.150 B.
119 (De novo hearings involving an appeal from an administrative determination). In the
120 conduct of its valuation hearings, the board shall follow the procedures outlined in this
121 chapter or as set forth in code or state statute; provided, however, that failure to adhere
122 strictly to this procedure shall not affect the validity of the board's action.

123
124 Section 4. FNSBC 3.28.030, **Claims based on the tax exempt status of**
125 **property**, is hereby amended as follows:

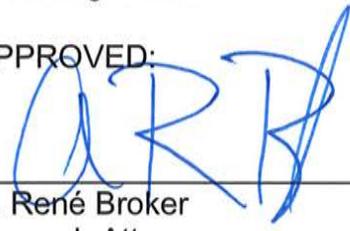
126 A taxpayer who claims that property is not taxable under law may appeal a
127 determination of the assessor that property is taxable directly to the superior court as
128 provided by rules of court applicable to appeals from the decisions of administrative
129 agencies, or the taxpayer may first appeal to the board of equalization as provided by
130 law[, OR THE TAXPAYER MAY DO BOTH].

131
132 Section 5. Effective Date. This ordinance shall be effective at 5:00 p.m.
133 on December 31, 2015.

134
135 PASSED AND APPROVED THIS ____ DAY OF _____, 2015.

136
137
138
139 _____
Karl Kassel
Presiding Officer

140
141
142 ATTEST:

143
144
145 APPROVED:


146 _____
Nanci Ashford-Bingham, MMC
147 Borough Municipal Clerk

146 _____
A. René Broker
Borough Attorney

CODE AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be added is underlined
Text to be deleted is [BRACKETED AND CAPITALIZED]

Fairbanks North Star Borough
Fiscal Impact Statement (FIS) (FNSBC 2.09.035 C.)

Check	Date
Version 1	
Version 2	
Version 3	
Version 4	

Originator's Name: Assemblymember Roberts **Department:** Assembly

To Be Introduced/Sponsored By: Assemblymember Roberts

Abbreviated Ordinance Title: Amending Title 3 Regarding BOE Appeals

Department(s)/Division(s) Affected: Assessing/Assembly

Proposed Introduction Date: _____ **Ordinance No.:** 2015-28

Does this ordinance authorize:

- 1) a new or expansion of services which entails additional costs beyond that approved in the current adopted budget? Yes ___ No *
- 2) a project that is capital in nature and increases operational costs of the Borough in the current or any future fiscal year? Yes ___ No *

Required Information/Estimates	FISCAL IMPACT PRO FORMA SUMMARY - BEST ESTIMATE				
	Remainder of Current FY	1st Full FY of Operations	2nd Full FY of Operations	3rd Full FY of Operations	4th Full FY of Operations
	FY 20 / /	FY 20 / /	FY 20 / /	FY 20 / /	FY 20 / /
1. Timeline inclusive of all phases					
2. Number and type of new positions which may be required					
3. Cost of operations and maintenance					
4. Future costs to complete capital assets					
5. Estimated revenue impact					
6. Estimated non-Borough funds that may be received:					
a. to fund the ordinance					
b. to fund future phases					
c. to fund future operations and maintenance costs					
7. Anticipated annual tax subsidy					

Is backup attached? Yes ___ No

Contact Person's Name, for FIS questions: Adena Benn **Extension:** 1406

Director(s) Signature(s): *April Ducky for NAB* **Date:** 4-15-15

Mayor's Office or Assembly Member Signature: _____ **Date:** 4/15/15

Chief Financial Officer Signature: _____ **Date:** _____



Fairbanks North Star Borough

Borough Clerk

809 Pioneer Road * PO Box 71267 * Fairbanks, Alaska 99707-1267 *(907) 459-1401 FAX 459-1224

MEMORANDUM

TO: Fairbanks North Star Borough Assembly

FROM: Margery Kniffen, Chair
Board of Equalization 

DATE: May 15, 2015

SUBJECT: **BOARD OF EQUALIZATION RECOMMENDATION OF
ORDINANCE NO. 2015 – 28 (Amending Title 3)**

At the Board of Equalization Special meeting of May 6, 2015 the Board held a legislative hearing on the following ordinance:

Ordinance No. 2015-28. An Ordinance Expanding, Clarifying And Amending Title 3 Of The Fairbanks North Star Borough Code Regarding Board Of Equalization Appeals And "Unable To Comply" Determinations. (Sponsor: Assemblymember Roberts)

Following are the motions of the Board regarding Ordinance No. 2015-28:

MORRIS, Died For A Lack of Second	moved to recommend approval of Ordinance No. 2015-28 to the Assembly.
--------------------------------------	--

JOHNSON, Seconded by, FOLDOE	moved to recommend keeping the current code language.
---------------------------------	--

MOTION PASSED 4-1	Ayes: Mayo, Foldoe, Johnson, Kniffen Noes: Morris
-------------------	--

The Board recommended keeping the current code language.

By: Lance Roberts
Introduced: April 23, 2015

FAIRBANKS NORTH STAR BOROUGH

ORDINANCE NO. 2015- 27

AN ORDINANCE AMENDING FNSBC 3.01.100 REGARDING REQUESTS FOR
WAIVER OF PROPERTY TAX PENALTIES TO INCLUDE THE LOSS OF A
PROPERTY TAX EXEMPTION AS A PENALTY SUBJECT TO WAIVER

WHEREAS, Borough code allows real property owners to request a waiver of property tax penalties if the late payment occurred due to extraordinary circumstances such that imposition of the penalty would result in a manifest injustice; and

WHEREAS, Several borough property tax exemptions including the residential property tax exemption, exclude from eligibility any property owner with unpaid property tax, penalty or interest at the time of application or on April 1st of each successive tax year after initial application; and

WHEREAS, the loss of or inability to qualify for a property tax exemption frequently has a more significant financial impact than the property tax penalties that may be waived.

NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks North Star Borough:

Section 1. Classification. This ordinance is not of a general and permanent nature and shall not be codified.

Section 2. FNSBC, 3.01.100, Appeal of penalties and interest charges, is hereby amended as follows:

CODE AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be *added* is underlined
Text to be *deleted* is [BRACKETED AND CAPITALIZED]

34 A. The record owner of any parcel of real property against which property tax
35 penalty and interest charges are assessed by the *borough* may appeal the imposition or
36 amounts thereof or request a waiver of penalties by filing a written notice of appeal with
37 the *borough* chief financial officer not later than December 31st of the tax year in
38 question. For purposes of this section only, "penalties" includes the loss of or inability to
39 qualify for a property tax exemption. [The Clerk shall provide a footnote to each
40 relevant property tax exemption indicating that the eligibility requirement of "no property
41 tax, penalty or interest owing" may be waived pursuant to FNSBC 3.01.100.]

42 B. The chief financial officer may waive imposition of any penalties if:

43 1. A natural catastrophe occurs which prevents the timely delivery of
44 payment; or

45 2. The late payment occurred due to extraordinary circumstances such that
46 imposition of the penalty would result in a manifest injustice. "Extraordinary
47 circumstances" for purposes of this section means any specific circumstances beyond
48 the taxpayer's control that placed the taxpayer in a significantly different situation from a
49 typical taxpayer making a late payment. A "manifest injustice" for purposes of this
50 section means something that is shocking to the conscience or obviously unfair.

51 C. The assembly may waive imposition of any penalties if the late payment occurred
52 due to extraordinary circumstances such that the imposition of the penalty would result
53 in a manifest injustice. For the purposes of this section, manifest injustice includes
54 circumstances within the taxpayer's control if the assembly finds that the taxpayer
55 attempted in good faith to make timely payment.

56 D. The chief financial officer shall examine the *borough* records and the matters
57 presented by the appellant and shall determine whether the appeal is within the chief
58 financial officer's authority or should be directly referred to the assembly. The clerk's
59 office and the property owner who filed the appeal shall be notified in writing of any
60 referrals to the assembly. This notification shall include any relevant *borough* records.
61 If the appeal is within the authority of the chief financial officer, the chief financial officer
62 shall determine whether the assessment of penalty and interest is correct or whether a
63 waiver as provided for in this section should be granted. If the appeal is within the

CODE AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT

Text to be *added* is underlined

Text to be *deleted* is [BRACKETED AND CAPITALIZED]

64 authority of the chief financial officer, the chief financial officer shall notify the property
65 owner in writing of his or her decision.

66 E. If the chief financial officer makes a decision on the merits of the appeal, the
67 property owner may appeal the chief financial officer's determination to the assembly by
68 filing notice thereof with the *borough* clerk not more than 20 days following the date on
69 which the chief financial officer's decision was mailed. The assembly shall hear the
70 matter de novo.

71 F. The appeal of the chief financial officer's decision is limited to whether payment
72 was made, postmarked or deposited prior to the payment dates specified in FNSBC
73 3.08.030 or whether the penalty should be waived for the circumstances specified in
74 subsection (B) of this section.

75
76 Section 3. Effective Date. This ordinance shall be effective at 5:00 p.m.
77 on the first Borough business day following its adoption.

78
79 PASSED AND APPROVED THIS _____ DAY OF _____, 2015.

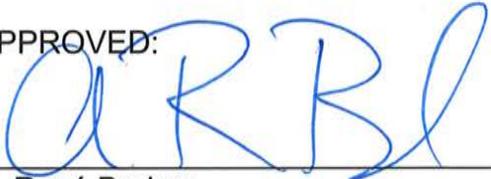
80
81
82
83
84
85
86
87
88
89

ATTEST:

Nanci Ashford-Bingham, MMC
Borough Municipal Clerk

Karl Kassel
Presiding Officer

APPROVED:



A. René Broker
Borough Attorney

CODE AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be *added* is underlined
Text to be *deleted* is [BRACKETED AND CAPITALIZED]

Fairbanks North Star Borough
Fiscal Impact Statement (FIS) (FNSBC 2.09.035 C.)

Check	Date
Version 1	
Version 2	
Version 3	
Version 4	

Originator's Name: Assemblymember Roberts **Department:** Assembly

To Be Introduced/Sponsored By: Assemblymember Roberts

Abbreviated Ordinance Title: Amending FNSBC 3.01.100 Request For Waiver of Property Penalties

Department(s)/Division(s) Affected: Assessing/Financial Services

Proposed Introduction Date: _____ **Ordinance No.:** 2015-27

Does this ordinance authorize:

- 1) a new or expansion of services which entails additional costs beyond that approved in the current adopted budget? Yes ___ No *
- 2) a project that is capital in nature and increases operational costs of the Borough in the current or any future fiscal year? Yes ___ No *

Required Information/Estimates	FISCAL IMPACT PRO FORMA SUMMARY - BEST ESTIMATE				
	Remainder of Current FY	1st Full FY of Operations	2nd Full FY of Operations	3rd Full FY of Operations	4th Full FY of Operations
	FY 20 /	FY 20 /	FY 20 /	FY 20 /	FY 20 /
1. Timeline inclusive of all phases					
2. Number and type of new positions which may be required					
3. Cost of operations and maintenance					
4. Future costs to complete capital assets					
5. Estimated revenue impact					
6. Estimated non-Borough funds that may be received:					
a. to fund the ordinance					
b. to fund future phases					
c. to fund future operations and maintenance costs					
7. Anticipated annual tax subsidy					

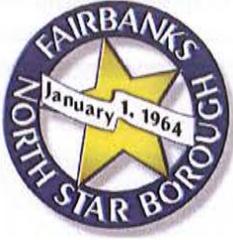
Is backup attached? Yes ___ No

Contact Person's Name, for FIS questions: Adena Benn **Extension:** 1406

Director(s) Signature(s): *April Mackay for NAB* **Date:** 4-15-15

Mayor's Office or Assembly Member Signature: _____ **Date:** 4/15/15

Chief Financial Officer Signature: _____ **Date:** _____



Fairbanks North Star Borough Department of Public Works

809 Pioneer Road * PO Box 71267 * Fairbanks, Alaska 99707-1267 * (907)459-1345 FAX 459-1330

MEMORANDUM

TO: Fairbanks North Star Borough Assembly

THRU: Luke T. Hopkins, Borough Mayor *LTH*

FROM: Daniel Sloan, Director, Public Works *DS*
Mike Bork, Director, Parks & Recreation *MB*

DATE: June 11, 2015

SUBJECT: Ordinance 2014-20 - 2J
Appropriation of Facility Maintenance Reserve Funds and Carlson Center Reserve Funds

Attached for your approval is a proposed budget ordinance. The ordinance amends the FY 2014-15 budget by appropriating \$3,705,000 from the Facility Maintenance Reserve (FMR) Fund for various Borough-wide facilities projects and \$18,000 from the Carlson Center Reserve Fund for the replacement of the stage ramp. The FMR projects included in this ordinance are aging infrastructure major maintenance capital work that is necessary for the continued safe operation of these facilities.

I urge its adoption.

Attachment

By: Luke T. Hopkins, Mayor
Introduced: 6/11/15

FAIRBANKS NORTH STAR BOROUGH

ORDINANCE NO. 2014-20- 2J

AN ORDINANCE AMENDING THE FY 2014-15 BUDGET BY APPROPRIATING \$3,705,000 FROM THE FACILITIES MAINTENANCE RESERVE AND \$18,000 FROM THE CARLSON CENTER RESERVE TO THE CAPITAL AND ENTERPRISE PROJECTS FUNDS FOR VARIOUS BOROUGH-WIDE FACILITIES AND EQUIPMENT PROJECTS

WHEREAS, the Fairbanks North Star Borough (Borough) owns buildings totaling approximately 3.19 million square feet and other facilities including ball fields, parks and playgrounds; and

WHEREAS, these facilities age and are in need of constant care and maintenance; and

WHEREAS, the Borough Assembly established the Facilities Maintenance Reserve by Ordinance No. 99-016 to accumulate funds for major facilities maintenance, repairs, and upgrade costs; and

WHEREAS, the Borough Assembly has made various appropriations to the Facilities Maintenance Reserve since its inception; and

WHEREAS, the Borough has a Management Agreement with SMG of Alaska (SMG), a private contractor, to manage and operate the John A. Carlson Activity Center (Center); and

WHEREAS, the Management Agreement requires that five percent of the monthly gross revenue from the Center be deposited in a reserve account which may be used for replacing equipment and building systems; and

WHEREAS, the Borough in consultation with SMG has identified the need to procure a stage ramp;

NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks North Star Borough:

Section 1. Classification. This ordinance is not of a general and permanent nature and shall not be codified.

CODE AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be added is underlined
Text to be deleted is [BRACKETED AND CAPITALIZED]

46 Section 2. Facilities Maintenance Reserve Appropriation. The FY
 47 2014-15 budget is hereby amended by appropriating \$3,705,000 to the Facilities
 48 Maintenance Reserve budgetary guidelines entitled "Contribution to Capital and
 49 Enterprise Projects Funds" and by increasing Contribution from Fund Balance by a like
 50 amount.

51
 52 Section 3. Carlson Center Reserve Appropriation. The FY 2014-15
 53 budget is hereby amended by appropriating \$18,000 to the Carlson Center Reserve
 54 budgetary guideline entitled "Contribution to Carlson Center Enterprise Projects Fund"
 55 and by increasing Contribution from Net Position by a like amount.

56
 57 Section 4. Capital and Enterprise Projects Funds Appropriation. The FY
 58 2014-15 budget is hereby amended by appropriating \$3,723,000 to the Capital and
 59 Enterprise Projects funds projects listed below and by increasing Contribution from
 60 Facilities Maintenance Reserve by \$3,705,000 and Contribution from Carlson Center
 61 Reserve by \$18,000.

<u>Project</u>	<u>Allocation</u>	<u>Appropriation</u>
Animal Shelter Direct Digital Control (DDC) Upgrade	\$250,000	
Arc Flash Labeling Phase 4 - Pioneer Park Buildings and Miscellaneous Parks	100,000	
Arc Flash Repairs Phase 1	100,000	
Big Dipper Locker Room Asbestos Abatement, Ventilation & Sprinkler Improvement	300,000	
Big Dipper Parking Lot Repair and Restriping	75,000	
Birch Hill 3 Phase Power and Ski Building Air Conditioning	250,000	
Borough Administrative Center Parking Lot Surfacing	80,000	
Building Network LAN Wiring Upgrade to Support ONESolution - 8 Buildings	500,000	
Carlson Activity Center Parking Lot Repair and Restriping	75,000	
Facilities Maintenance Emergency Generator Installation	125,000	

CODE AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
 Text to be *added* is underlined
 Text to be *deleted* is [BRACKETED AND CAPITALIZED]

91 <u>Project</u>	<u>Allocation</u>	<u>Appropriation</u>
92		
93 Facilities Maintenance Exterior Envelope Refinish		
94 (supplemental funding)	\$200,000	
95		
96 Facilities Maintenance Office and Warehouse		
97 Mechanical Ventilation Upgrade	500,000	
98		
99 Hamme Swimming Pool Balancing Tank Replacement	75,000	
100		
101 Marika St. Warehouse Annex Building Demolition, UST		
102 Removal and Paving	300,000	
103		
104 Mary Siah Water Line Replacement (supplemental		
105 funding)	200,000	
106		
107 Pioneer Park Centennial Center Air Conditioning		
108 Replacement (supplemental funding)	150,000	
109		
110 Pioneer Park Centennial Center Art Gallery Lighting		
111 Replacement	50,000	
112		
113 Pioneer Park Gold Dome Roof Repair	125,000	
114		
115 Solid Waste Landfill Domestic / Fire Water Extension		
116 (Design & Cost Sharing w/ GHU)	100,000	
117		
118 Wescott and Mary Siah Swimming Pool Sand Filter		
119 Replacements	<u>150,000</u>	
120		
121		<u>\$3,705,000</u>
122		
123 Carlson Center Stage Ramp		<u>\$18,000</u>
124		

125 Section 5. Lapse of Funds. Upon completion of each individual project,
126 the unencumbered, unexpended funds will lapse to the respective fund balance of the
127 Facilities Maintenance Reserve and net position of the Carlson Center Reserve.

128
129 Section 6. Effective Date. This ordinance shall be effective at 5:00 p.m.
130 on the first Borough business day following its adoption.

131
132
133
134
135
CODE AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be added is underlined
Text to be deleted is [BRACKETED AND CAPITALIZED]

136
137
138
139
140
141
142
143
144
145
146
147
148
149
150

PASSED AND APPROVED THIS _____ DAY OF _____ 2015.

Karl Kassel
Presiding Officer

ATTEST:

APPROVED:



A. René Broker
Borough Attorney

Nanci Ashford-Bingham, MMC
Borough Municipal Clerk

CODE AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be *added* is underlined
Text to be *deleted* is [BRACKETED AND CAPITALIZED]

FAIRBANKS NORTH STAR BOROUGH
FISCAL NOTE

I. Request

Ordinance No: 2014-20- 2J

Date Introduced: June 11, 2015

Abbreviated Title: \$3,705,000 from the Facilities Maintenance Reserve and \$18,000 from the Carlson Center Reserve to the Capital and Enterprise Projects Funds for Various Borough-Wide Facilities Projects and Stage Ramp

II. Financial Detail

Department/Division Affected: Various

EXPENDITURE	Facilities Maintenance Reserve	Carlson Center Reserve	Capital and Enterprise Projects Fund	Total
	FY 14/15	FY 14/15	FY 14/15	FY 14/15
Capital Outlay				
Other - Awaiting Budget			3,723,000	
Contribution to Capital and Enterprise Projects Funds	3,705,000	18,000		
Total	3,705,000	18,000	3,723,000	

SOURCE OF FUNDING

Contribution from Fund Balance	3,705,000	18,000		
Contribution from Facilities Maintenance Reserve			3,705,000	
Contribution from Carlson Center Reserve			18,000	
Total	3,705,000	18,000	3,723,000	

Specify Funding Sources: Facilities Maintenance Reserve fund balance and Carlson Center Reserve net position

OTHER FUNDING (PREVIOUSLY APPROPRIATED)

--	--	--	--	--

III. Project Purpose:

To fund maintenance projects for Borough facilities and procure a stage ramp for Carlson Center

IV. Analysis of Future Liabilities and Funding Sources:

Continued maintenance

V. Fund Certification: I certify that funding sources are available as detailed in II above.

Debra L. R. Brady
Debra L. R. Brady
Chief Financial Officer

5/26/15
Date

FA	GLA
GA	CA
SpA	C
TBM	SA

Fairbanks North Star Borough
Fiscal Impact Statement (FIS) (FNSBC 2.09.035 C.)

Check	Date
Version 1	
Version 2	
Version 3	
Version 4	

Originator's Name: Scott Johnson / Mike Bork **Department:** Public Works / Parks & Rec

To Be Introduced/Sponsored By: Mayor Hopkins

Abbreviated Ordinance Title: Various Facilities Maint Reserve Projects & CAC Stage Ramp

Department(s)/Division(s) Affected: PW & PR Various Borough Facilities

Proposed Introduction Date: June 11, 2015 **Ordinance No.:** 2014-20- 2J

Does this ordinance authorize:

- 1) a new or expansion of services which entails additional costs beyond that approved in the current adopted budget? Yes ___ No *
- 2) a project that is capital in nature and increases operational costs of the Borough in the current or any future fiscal year? Yes ___ No *

Required Information/Estimates	FISCAL IMPACT PRO FORMA SUMMARY - BEST ESTIMATE				
	Remainder of Current FY	1st Full FY of Operations	2nd Full FY of Operations	3rd Full FY of Operations	4th Full FY of Operations
	FY 20 /	FY 20 /	FY 20 /	FY 20 /	FY 20 /
1. Timeline inclusive of all phases					
2. Number and type of new positions which may be required					
3. Cost of operations and maintenance					
4. Future costs to complete capital assets					
5. Estimated revenue impact					
6. Estimated non-Borough funds that may be received:					
a. to fund the ordinance					
b. to fund future phases					
c. to fund future operations and maintenance costs					
7. Anticipated annual tax subsidy					

Is backup attached? Yes ___ No ___

Contact Person's Name, for FIS questions: Dan Sloan/Phil Streeter/Mike Bork **Extension:** x1338, x1069

Director(s) Signature(s): *Dan Sloan* **Date:** 6/8/15

Mayor's Office or Assembly Member Signature: *[Signature]* **Date:** 6/11/15

Chief Financial Officer Signature: *[Signature]* **Date:** 6/8/15



Fairbanks North Star Borough

Transportation

809 Pioneer Rd Fairbanks, Alaska 99701

(907)459-1002 FAX (907) 459-1004

MEMORANDUM

TO: Fairbanks North Star Borough Assembly

THROUGH: Luke T. Hopkins, Borough Mayor *LTH*

FROM: Glenn Miller, Transportation Director *GM*

SUBJECT: AN ORDINANCE AMENDING THE FY 2014-15 BUDGET BY REAPPROPRIATING \$40,000 FROM THE TRANSIT ENTERPRISE OPERATING FUND TO THE TRANSIT ENTERPRISE PROJECTS FUND FOR THE BUS STOP SHELTERS LAND ACQUISITION PROCESS PROJECT

DATE: June 11, 2015
Ordinance # 2014-20-2K

Attached for your approval is a proposed budget ordinance amending the FY2014-15 budget by reappropriating \$40,000 to the Transit Enterprise Projects Fund to fund the process in acquiring land for new bus stops shelters. These bus stops are scheduled for construction in 2016, after the land is successfully acquired. The bus stops include:

1. Helmericks Rd at Mt McKinley Bank (Blue Line)
2. Rewak Dr at Safeway (Red Line)
3. Kennicott Dr at Shoppers Forum Mall (Blue Line)
4. Herb Miller Rd at Lowes (Red and Brown Lines)
5. Cushman St at 24th Ave (Purple and Green Lines)
6. Lathrop St at Medical Dental Arts (Purple and Orange Lines)
7. Cowles St at Fairbanks Memorial Hospital (Purple Line)
8. Lathrop St at Chief Andrew Isaac Health Center (Purple and Orange Lines)
9. Old Steese Highway at Safeway Gas Station (Red and Brown Lines)
10. Herb Miller Rd at Walmart (Blue Line)
11. Washington Dr at Rewak Dr (Red Line)
12. Rewak Dr at Washington Dr (Blue Line)

I request your consideration and urge your approval of this ordinance.

By: Luke Hopkins, Mayor
Introduced: June 11, 2015

FAIRBANKS NORTH STAR BOROUGH

ORDINANCE NO. 2014-20- 2K

AN ORDINANCE AMENDING THE FY 2014-15 BUDGET BY REAPPROPRIATING \$40,000 FROM THE TRANSIT ENTERPRISE OPERATING FUND TO THE TRANSIT ENTERPRISE PROJECTS FUND FOR THE BUS STOP SHELTERS LAND ACQUISITION PROCESS PROJECT

WHEREAS, the Federal Transit Administration (FTA) will award grants to the Fairbanks North Star Borough (Borough) to acquire land for, and design and construct, new bus stop shelters for the MACS transit system; and

WHEREAS, the FTA will not fund the process of acquiring the land needed for bus stop shelters in areas where sufficient right-of-way is not present; and

WHEREAS, there are 12 locations identified for bus stop shelters that are either partially or fully on private property; and

WHEREAS, each of the private property owners has been contacted by the Borough and has given a preliminary verbal concurrence to proceed with possible land acquisitions; and

WHEREAS, the Department of Transportation, Van Tran section has \$40,000 of unexpended extraboard salaries and associated benefits available; and

WHEREAS, the Borough's Department of Public Works and Department of Assessing, Land Management division will conduct the land acquisition processes as defined in FTA Circular 5010.1D; and

36 WHEREAS, this funding will be used for appraisals, title reports, courier service,
37 recording fees, easement descriptions and project personnel services; and

38
39 WHEREAS, these bus stop shelters are scheduled for construction in 2016;

40
41 NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks
42 North Star Borough:

43
44 Section 1. Classification. This ordinance is not of a general and
45 permanent nature and shall not be codified.

46
47 Section 2. Transit Enterprise Operating Fund Reappropriation. The FY
48 2014-15 budget is hereby amended by reappropriating \$40,000 from the Transit
49 Enterprise Operating Fund budgetary guideline entitled "Department of Transportation"
50 to the budgetary guideline entitled "Contribution to Transit Enterprise Projects Fund."

51
52 Section 3. Transit Enterprise Projects Fund Appropriation. The FY
53 2014-15 budget is hereby amended by appropriating \$40,000 to the Transit Enterprise
54 Projects Fund budgetary guideline entitled "Bus Stop Shelters Land Acquisition Process
55 Project" and by increasing Contribution from Transit Enterprise Operating Fund by a like
56 amount.

57
58 Section 4. Lapse of Funds. Upon completion or abandonment of the
59 project, any unexpended, unencumbered funds will lapse to the Transit Enterprise
60 Operating Fund unrestricted net position.

61
62 Section 5. Effective Date. This ordinance shall be effective at 5:00 pm on
63 the first Borough business day following its adoption.

64
65
66
67

68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83

PASSED AND APPROVED THIS _____ DAY OF _____, 2015.

Karl Kassel
Presiding Officer

ATTEST:

APPROVED:



Nanci Ashford-Bingham, MMC
Borough Municipal Clerk

A. René Broker
Borough Attorney

FAIRBANKS NORTH STAR BOROUGH
FISCAL NOTE

I. Request

Ordinance No: 2014-20-2K Date Introduced: 06/11/2015

Abbreviated Title: Reappropriate \$40,000 From Transit Enterprise Operating Fund to Transit Enterprise Projects Fund For Bus Stop Shelter Land Acquisition Process Project

II. Financial Detail

Department/Division Affected: Transportation/Transit

EXPENDITURE	Transit Enterprise Operating Fund	Transit Enterprise Projects Fund	Total
	FY 14/15	FY 14/15	FY 14/15
Personnel Services	(40,000)	2,000	
Contractual Services		38,000	
Contribution to Transit Enterprise Projects Fund	40,000		
Total	0	40,000	

SOURCE OF FUNDING

Contribution from Transit Enterprise Operating Fund		40,000	
State Funds			
Total		40,000	

Specify Funding Sources: Transit Enterprise Operating Fund Department of Transportation/Van Tran

OTHER FUNDING (PREVIOUSLY APPROPRIATED)

III. Project Purpose:

To provide funding for land acquisition process needed for bus stop shelters

IV. Analysis of Future Liabilities and Funding Sources:

Ongoing repairs and maintenance of bus stop shelters

V. Fund Certification: I certify that funding sources are available as detailed in II above.

Debra L. R. Brady
Debra L. R. Brady
Chief Financial Officer

5/22/15
Date

FA	SA
GLA	GA
CA	SpA
C	TBM

Fairbanks North Star Borough
Fiscal Impact Statement (FIS) (FNSBC 2.09.035 C.)

Check	Date
<input type="checkbox"/> Version 1	
<input type="checkbox"/> Version 2	
<input type="checkbox"/> Version 3	
<input type="checkbox"/> Version 4	

Originator's Name: Glenn Miller **Department:** Transportation
To Be Introduced/Sponsored By: Mayor Hopkins
Abbreviated Ordinance Title: Land Acquisition of Bus Stop Shelter Locations
Department(s)/Division(s) Affected: Transportation
Proposed Introduction Date: June 11, 2015 **Ordinance No.:** 2014-20-2K

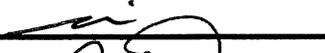
Does this ordinance authorize:

- 1) a new or expansion of services which entails additional costs beyond that approved in the current adopted budget? Yes ___ No *
- 2) a project that is capital in nature and increases operational costs of the Borough in the current or any future fiscal year? Yes ___ No *

Required Information/Estimates	FISCAL IMPACT PRO FORMA SUMMARY - BEST ESTIMATE				
	Remainder of Current FY	1st Full FY of Operations	2nd Full FY of Operations	3rd Full FY of Operations	4th Full FY of Operations
	FY 2013/14	FY 20__/__	FY 20__/__	FY 20__/__	FY 20__/__
1. Timeline inclusive of all phases					
2. Number and type of new positions which may be required					
3. Cost of operations and maintenance					
4. Future costs to complete capital assets					
5. Estimated revenue impact					
6. Estimated non-Borough funds that may be received:					
a. to fund the ordinance					
b. to fund future phases					
c. to fund future operations and maintenance costs					
7. Anticipated annual tax subsidy					

Is backup attached? Yes ___ No

Contact Person's Name, for FIS questions: Adam Barth **Extension:** 1196

Director(s) Signature(s):  **APRIL Date:** 28, 2015

Mayor's Office or Assembly Member Signature:  **Date:** 4/28/15

Chief Financial Officer Signature:  **Date:** 5/22/15



Fairbanks North Star Borough

Transportation

809 Pioneer Rd Fairbanks, Alaska 99701

(907)459-1002 FAX (907) 459-1004

MEMORANDUM

TO: Fairbanks North Star Borough Assembly
THROUGH: Luke T. Hopkins, Borough Mayor *LTH*
FROM: Glenn Miller, Transportation Director *GM*
SUBJECT: ORDINANCE 2015-20- 1A

APPROPRIATE \$165,385 IN FEDERAL PASS THROUGH GRANT FUNDS AND \$125,479 IN MATCHING FUNDS FROM THE TRANSIT ENTERPRISE FUND TO THE TRANSIT ENTERPRISE PROJECTS FUND FOR THE CONTINUED AND EXPANDED OPERATION OF AN EXISITING METROPOLITAN AREA COMMUTER SYSTEM (MACS) TRANSIT ROUTE ALONG FARMERS LOOP ROAD

DATE: June 11, 2015

Attached for your approval is a proposed budget ordinance appropriating \$165,385 in 49 U.S.C. § 5311 Federal Transit Administration (FTA) rural transit assistance program federal grant funds, and \$125,479 in matching funds from the Transit Enterprise Operating Fund. These funds will be used to operate the MACS Transit bus route serving Farmers Loop for the 2015-16 fiscal year. The grant includes expanded operating times from 7 hours to 14 hours to improve service along that route. Many current and potential riders have expressed desire for additional service during the middle of the day when no service is currently offered.

I request your consideration and urge your approval of this ordinance.

Attachment

By: Luke T. Hopkins, Mayor
Introduced: June 11, 2015

FAIRBANKS NORTH STAR BOROUGH

ORDINANCE NO. 2015-20- 1A

AN ORDINANCE AMENDING THE FY 2015-16 BUDGET BY APPROPRIATING \$165,385 IN FEDERAL PASS-THROUGH GRANT FUNDS AND \$125,479 IN TRANSIT LOCAL MATCHING FUNDS TO THE TRANSIT ENTERPRISE PROJECTS FUND FOR THE CONTINUED OPERATION AND EXPANSION OF AN EXISTING METROPOLITAN AREA COMMUTER SYSTEM (MACS) TRANSIT ROUTE ALONG FARMERS LOOP ROAD AND BY AUTHORIZING AN ADDITIONAL 2.0 FULL-TIME EQUIVALENT (FTE) GRANT-FUNDED POSITIONS

WHEREAS, the fixed bus route providing service along Farmers Loop, that is currently labeled the Grey Line, was eliminated from the FY 2015-16 budget; and

WHEREAS, the State of Alaska Department of Transportation and Public Facilities (ADOT&PF) has posted their notice of grant award recommendations for the Federal Transit Administration (FTA), Section 5311 (Rural Transit) grant funding; and

WHEREAS, ADOT&PF intends to make available \$248,063 in Rural Transit Assistance Program grant funding to the Fairbanks North Star Borough (Borough) which can be used to continue and expand the operation of the Grey Line; and

WHEREAS, \$165,385 in Rural Transit grant funds and \$125,479 in local match is needed to continue and expand the operation of the route; and

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT

Text to be added is underlined & bold

Text to be deleted is [BRACKETED, CAPITALIZED & BOLD]

36 WHEREAS, the fixed route along Farmers Loop provided 8,515 rides in
37 FY 2013-14 with a convenient, inexpensive and reliable transportation alternatives to a
38 personal car for employment, education, shopping and recreational activities for people
39 that live along the route; and

40
41 WHEREAS, public comments support expanded service during the middle of the
42 day and would be useful for the transportation needs in the area. This appropriation is
43 expanding Grey Line service to include seven additional hours of operation per day; and

44
45 WHEREAS, the continuation and expansion of the Grey Line requires 2.0 full-
46 time equivalent (FTE) employee positions; and

47
48 WHEREAS, the Rural Transit grant and the matching funds will cover the costs
49 of the Farmers Loop bus route including the expanded hours, for the 2015-16 fiscal
50 year;

51
52 NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks
53 North Star Borough:

54
55 Section 1. Classification. This ordinance is not of a general and
56 permanent nature and shall not be codified.

57
58 Section 2. Transit Enterprise Operating Fund Appropriation. The FY
59 2015-16 budget is hereby amended by appropriating \$125,479 to the Transit Enterprise
60 Operating Fund budgetary guideline entitled "Contribution to Transit Enterprise Projects
61 Fund" and by increasing Contribution from Net Position by a like amount.

62
63
64
65
AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be added is **underlined & bold**
Text to be deleted is **[BRACKETED, CAPITALIZED & BOLD]**

66 Section 3. Transit Enterprise Projects Fund Appropriation. The FY
67 2015-16 budget is hereby amended by appropriating \$290,864 to the Transit Enterprise
68 Projects Fund budgetary guideline entitled "Farmers Loop Fixed Route Operation" and
69 by increasing estimated revenue from federal grants by \$165,385 and by increasing
70 Contribution from Transit Enterprise Operating Fund by \$125,479.

71
72 Section 4. Position Authorization. The FY 2015-16 budget is hereby
73 amended by increasing the Transportation department's position count by 2.0 full time-
74 equivalent (FTE) grant-funded employee positions for transit drivers.

75
76 Section 5. Administrative Fee. Indirect is waived in accordance with
77 Borough Ordinance No. 2011-42, which waived indirect on all existing and future FTA
78 grants.

79
80 Section 6. Eligible Expenditure Period. Expenditures subsequent to the
81 effective date of the signed grant agreement are eligible for reimbursement.

82
83 Section 7. Lapse of Funds. Upon completion or abandonment of the
84 project, any unencumbered, unexpended local matching funds will lapse to the Transit
85 Enterprise Operating Fund unrestricted net position.

86
87 Section 8. Contingency. This appropriation is contingent upon a signed
88 grant agreement with ADOT&PF. This appropriation is for estimated amounts. Actual
89 amounts will be appropriated based upon amounts in the agreement.

90
91 Section 9. Effective date. This ordinance shall be effective on July 1,
92 2015.

93
94

95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110

PASSED AND APPROVED THIS _____ DAY OF _____, 2015.

Karl Kassel
Presiding Officer

ATTEST:

APPROVED:


A. Rene' Broker
Borough Attorney

Nanci Ashford-Bingham, MMC
Borough Municipal Clerk

AIRBANKS NORTH STAR BOROUGH
FISCAL NOTE

I. Request

Ordinance No: 2015-20- 1A Date Introduced: 6/11/2015

Abbreviated Title: To Continue and Expand the Grey Line Route, Serving Farmer's Loop Road with 2.0 FTEs

II. Financial Detail

Department/Division Affected: Transportation/Transit

EXPENDITURE	Transit Enterprise Operating Fund	Transit Enterprise Projects Fund	Total
	FY 15/16	FY 15/16	FY 15/16
Personnel Services			
Commodities			
Awaiting Budget		290,864	
Contribution to Transit Enterprise Projects Fund	125,479		
Total	125,479	290,864	

SOURCE OF FUNDING

Federal Grants		165,385	
Contribution from Unrestricted Net Position	125,479		
Contribution from Transit Enterprise Operating Fund		125,479	
Total	125,479	290,864	

Specify Funding Sources: Federal Transit Administration (FTA) passed through the State of Alaska (DOT&PF)

OTHER FUNDING (PREVIOUSLY APPROPRIATED)

III. Project Purpose:

To continue and expand operations on the Metropolitan Area Commuter System (MACS) Grey Line Route, serving Farmer's Loop Road

IV. Analysis of Future Liabilities and Funding Sources:

Salary and benefits for the transit drivers position in future years

V. Fund Certification:

I certify that funding sources are available as detailed in II above.

Debra L. R. Brady
Debra L. R. Brady
Chief Financial Officer

5/22/15
Date

FA	SA
GLA	GA
CA	SpA
C	TBM

Fairbanks North Star Borough
Fiscal Impact Statement (FIS) (FNSBC 2.09.035 C.)

Check	Date
Version 1	
Version 2	
Version 3	
Version 4	

Originator's Name: Glenn Miller **Department:** Transportation
To Be Introduced/Sponsored By: Mayor Hopkins
Abbreviated Ordinance Title: Rural Transit Grant (5311) and Local Match appropriation
Department(s)/Division(s) Affected: Transportation
Proposed Introduction Date: June 11, 2015 **Ordinance No.:** 2015-20- 1A

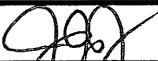
- Does this ordinance authorize:**
- 1) a new or expansion of services which entails additional costs beyond that approved in the current adopted budget? **Yes** **No** *
 - 2) a project that is capital in nature and increases operational costs of the Borough in the current or any future fiscal year? **Yes** **No** *

Required Information/Estimates	FISCAL IMPACT PRO FORMA SUMMARY - BEST ESTIMATE				
	Remainder of Current FY	1st Full FY of Operations	2nd Full FY of Operations	3rd Full FY of Operations	4th Full FY of Operations
	FY 20 / 16	FY 20 /	FY 20 /	FY 20 /	FY 20 /
1. Timeline inclusive of all phases	x				
2. Number and type of new positions which may be required	2.00				
3. Cost of operations and maintenance	\$290,864.00				
4. Future costs to complete capital assets	\$0.00				
5. Estimated revenue impact	\$200.00				
6. Estimated non-Borough funds that may be received:					
a. to fund the ordinance	\$165,386.00				
b. to fund future phases	\$0.00				
c. to fund future operations and maintenance costs	\$ 165,386.00				
7. Anticipated annual tax subsidy	\$ 125,479.00				

Is backup attached? **Yes** **No**

Contact Person's Name, for FIS questions: Adam Barth **Extension:** 1196

Director(s) Signature(s):  **Date:** APRIL 22, 2015

Mayor's Office or Assembly Member Signature:  **Date:** 4/22/15

Chief Financial Officer Signature: Debra L. R. Brady **Date:** 5/22/15