

**I. CALL TO ORDER**

The special meeting of the Matanuska-Susitna Borough Assembly was held on August 29, 2006, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. Mayor Timothy L. Anderson called the meeting to order at 6:00 p.m. for the purpose of holding a joint Assembly/Planning Commission meeting.

**II. ROLL CALL**

Assembly members present and establishing a quorum were:

- Ms. Lynne Woods, Assembly District 1
- Mr. Bill Allen, Assembly District 2
- Mr. Talis Colberg, Assembly District 3
- Ms. Mary Kvalheim, Assembly District 4
- Ms. Cindy L. Bettine, Assembly District 5
- Mr. Jim Colver, Assembly District 6
- Ms. Betty Vehrs, Assembly District 7

Planning Commission members present and establishing a quorum were:

- Ms. Brigitte Lively, District 1
- Ms. Helga Larson, District 2
- Mr. Mark Masteller, District 3
- Ms. Dianne Woodruff, District 4
- Mr. David Webster, District 5
- Mr. Curtis Menard, District 6

Staff in attendance were:

- Ms. Michelle M. McGehee, CMC, Borough Clerk
- Ms. Lonnie R. McKechnie, Executive Assistant to the Borough Clerk
- Mr. Ron Swanson, Community Development Director
- Mr. Sev Jones, Planning Division Chief
- Ms. Eileen Probasco, Planner II

**III. APPROVAL OF THE AGENDA**

Mayor Anderson inquired if there were any changes to the agenda.

Assemblymember Kvalheim asked to remove item H, Variance Issues.

Mayor Anderson removed item F, Title 16 Update, and noted that Item B will follow Item C.

GENERAL CONSENT: The agenda was approved as amended.

#### **IV. PLEDGE OF ALLEGIANCE.**

The Pledge of Allegiance was led by Mr. Henry Springer.

#### **V. AUDIENCE PARTICIPATION**

*(There was no one present who wished to testify.)*

#### **VI. ITEMS OF BUSINESS**

- A. Groundwater Demonstration Model Presentation by George Taylor, Wasilla Soil and Water Conservation *(Requested by: Commissioner Masteller)*

Mr. George Taylor (Wasilla Soil and Water Conservation) demonstrated how groundwater moves through the ground with a working model.

Assemblymember Vehrs asked for a similar model regarding coal bed methane and water aquifers.

Commissioner Masteller explained there is a way to simulate a production well, similar to coal bed methane development.

Mr. George Taylor:

- explained that groundwater flows from recharge in mountains to discharge in lakes and rivers;
- described that groundwater is impacted by rock type layers, gravel and gravity;
- advised that groundwater may not simply move down, but seeks the path of least resistance;
- added that groundwater is under pressure and may avoid pressure by returning to the surface;
- clarified that aquifers are simply water between sand and gravel particles;
- explained that the water table is that point below the surface that is filled with water;
- reported that artesian aquifers have a confining layer of silt or clay, which is not necessarily impacted by rainfall or other surface events;
- stressed that residential wells have significant impacts on aquifers quite a distance away;
- stated surface pollutants can be introduced into groundwater through well drilling;
- explained that the model does not represent a specific depth or square footage;
- stressed the concern about proximity of houses, number of wells, and septic systems in a finite area because the impacts reach far beyond a subdivision boundary; and
- expressed concern that local building practice includes overburden stripping, which removes the organic filtration system that allows toxins to directly enter the groundwater.

Assemblymember Colver inquired about the status of waterways.

Mr. George Taylor:

- explained that citizens are monitoring Cottonwood Creek, Wasilla Creek, Little Susitna River, Bodenbug Creek and McRoberts as volunteers;
- related that monitoring shows no significant changes in water quality, bacterial counts and turbidity; and
- predicted that water quality will be affected with continued development.

Commissioner Masteller thanked Mr. Taylor for the volunteer monitoring program.

Mr. Taylor remarked that the monitoring program is inexpensive because the volunteers donate time and travel.

B. Hatcher Pass Special Land Use District (*Requested by: Planning Department*)

Ms. Eileen Probasco:

- disclosed that public comments will be incorporated into drafts in the next few weeks; and
- noted that on July 17 an open house was held to hear public comments.

Mr. Chris Beck:

- explained that the Borough's special land use district (SPUD) goals are to have appropriate level of control and authority over future development of the ski area, the lifts, the base facility, and the residential areas on the south side;
- described the SPUD boundaries and presented maps, which includes state and borough land;
- stated that the SPUD was developed through a community advisory group and Borough staff;
- explained that he was hired to facilitate, provide technical advice, and to work as a liaison to JL Properties;
- stated that a completed draft was circulated earlier this summer for review and is currently being reviewed by the Planning Commission and the Assembly;
- informed that the first portion of the SPUD contains the policy framework and specifics on allowed and prohibited land uses;
- detailed the second portion of the SPUD, which includes policies and standards, that are implementation guidelines, such as drainage;
- noted that the third portion of the SPUD contains the Hatcher Pass Management Plan (HPMP), which is the framework for all development;
- explained that for the project to go forward, it is necessary to approve the SPUD, the code, the policies and standards, and amend the HPMP;
- disclosed that they have worked closely with DNR and recommended changes to the HPMP;

- stated that once the SPUD is approved and the management plan is revised, a master plan will be prepared for the public, the Planning Commission, and the Assembly for comment and approval;
- commented that all stakeholders want to maintain environmental quality;
- reported that the remaining challenging issues include: stream setbacks, public use area changes in southwest corner, water quality, and development density; and
- clarified that the developer is interested in residential development within the boundaries of the existing public use area.

Assemblymember Colver inquired about the project economics.

Mr. Beck:

- explained that the developer sees value in protecting the area's environmental quality;
- stated that it is up to the developer to impose architectural covenants; and
- informed that stream setbacks are 600 feet for residential development, but they will finally be determined by the master plan or the conditional use process.

Commissioner Menard asked about state legislation that required a 1,000 foot setback.

Mr. Beck:

- responded that the HPMP referenced 1,000 feet, but also called for smaller setbacks; and
- asserted that some general objectives should be determined first and then final buffers set in the master plan.

Ms. Eileen Probasco the detailed tentative schedule including a Planning Commission public hearing in September; and October and November public hearings to approve the SPUD and the HPMP.

C. Knik Arm Crossing Financing Presentation by Kevin Hemenway, KABATA Chief Financial Officer and Henry Springer, KABATA Executive Director  
(Requested by: Planning Department)

Mr. Kevin Hemenway, KABATA Chief Financial Officer:

- explained that the toll authority was established under AS 19.75 to construct the bridge;
- presented a conceptual view of project;
- estimated that the project cost is between \$450,000,000 to \$600,000,000;
- explained that the public equity will cover about 25 percent of costs;
- remarked that the Borough is the 28<sup>th</sup> fastest growing entity according to the US Census Bureau;
- related that Anchorage and the Borough account for 50 percent of Alaska's population;
- estimated that the population in Anchorage and the Borough will exceed 550,000 by 2030;

- related that the legislature funded the Port MacKenzie road upgrade in its last session;
- reported that there are plans for a future truck and railroad corridor;
- disclosed that the bridge would save about 68 miles and 80 minutes of commuter driving to Anchorage;
- predicted that congestion on the Parks and Glenn Highways would be reduced;
- related that an engineering cost analysis totaled \$592,000,000, which included \$80,000,000 for contingencies and \$56,000,000 for escalation;
- noted that the Authority conceptually divided the project into segments, including the Pt. MacKenzie road paving project, port expansion, a sheet pile wall, security fencing, and a tunnel and interchange through Government Hill;
- indicated that the hard dollar costs and contingency is \$462,000,000, but when escalated to construction year dollars the cost is about \$560,000,000;
- explained that the Government Hill north side interchange is expensive because it includes an 800-1,000 foot cut and cover tunnel connecting to the A-C couplet;
- reported that \$435,000,000 is in the Authority's scope, which is shore to shore, including bridge and approaches;
- added that \$120,000,000 covers other components, including the Pt. MacKenzie road paving and pieces behind the port and through Government Hill;
- described that the current plan is to use state and federal money and to fund with toll back financing;
- pointed out that future expansion will be contingent on traffic growth;
- stated that tolls generate revenue to pay for future requirements;
- explained that traffic could potentially generate about 44,000 trips in 20 years along the corridor;
- reported that a \$3 toll over 30 years would generate about \$1.3 billion, available for financing;
- explained that financial models predicted a \$3 to \$4 toll;
- reported construction budget could be cut by building fewer lanes, eliminating the tunnel or interchanges, or building to a shorter lifecycle;
- discussed the various financing options;
- related that House Bill 471 was passed that permits KABATA to use public/private partnerships, non-recourse toll revenue bonds up to \$500,000,000, federal highways programs, private activity bonds, and others financing options;
- explained that the current project does not include a rail spur, gas line project, potential catalyst or cost additives;
- described the public/private partnerships (P3) where the private sector finances the toll back funding source and its potential to fill the financing gap;
- reported that KABATA has not approached the Permanent Fund for financing aggressively to date;
- informed that an environmental draft will be filed within the next month or two;
- stated that the record of decision may be had by the fourth quarter of 2006; and
- opined that the project, based on toll revenues, is financially feasible.

*(Assemblymember Woods exited the meeting at 7:30 p.m.)*

Mr. Henry Springer, KABATA Executive Director:

- explained that the bridge project is complex due to politics, elections, Hurricane Katrina, etc.
- stated that a unique delivery system was created;
- explained that the Federal Highway Administration has played a large role in state highways;
- noted that there is \$94,000,000 in federal money in the project to be used for the east approach on the Anchorage side;
- reported that the Pt. MacKenzie Road upgrade is funded by state money;
- stated the purpose is to isolate the shore to shore portion of the project from federal money because of the state's simpler and speedier rules;
- indicated that the Beluga whales pose the next challenge; over \$2,000,000 has been spent studying the Beluga whales;
- reported that the bridge has no effect on the Beluga whales; and
- noted there is a petition to list Beluga whales as an endangered species, which has grave consequences for not only the bridge, but fisheries, sea traffic, noise pollution, airport, storm water runoff, and sewage treatment.

Commissioner Menard inquired about the Government Hill process.

Mr. Springer:

- predicted it would be a high profile situation;
- discussed that the EIS evaluates four routes, including the route favored by Government Hill residents;
- explained that the favored route goes behind the port and through Government Hill at Degan Street and ties into the A-C couplet; and
- suggested that Government Hill residents have not adequately considered the tunnel option.

Commissioner Masteller asked if the structure would be engineered to accept tracks.

Mr. Springer:

- explained that no heavy rail would be built, but there is a provision for light rail and two extra lanes;
- stated that railroad bridges have greater seismic testing requirements than highway bridges;
- noted that the seismic and marine conditions cause challenges that make railroad bridge costs 1.5 to 1.6 times greater than a highway bridge; and
- concluded that building two bridges would be cheaper than putting a railroad on a highway bridge.

Assemblymember Colberg inquired about the toll revenue projection and traffic growth estimates.

Mr. Springer:

- explained that investors will build in risk factor;
- agreed that projections are simply educated assumptions;
- explained that traffic projections come from MSB land use plans and surveys;
- added that many people overlook the fact that the Glenn Highway will exceed its capacity by 2020; and
- advised that surveys concluded that tolls of up to \$5.50 are favorable.

Commissioner Webster asked about high maintenance costs.

Mr. Springer:

- explained that Mr. Wilbur Smith used a 30-year complete replacement as a basis, which is unrealistic but very conservative;
- described that the Alaska State Department of Transportation will take over maintenance on Pt. MacKenzie and the east approach; and
- stated that KABATA will maintain from the Port of Anchorage to the west side industrial area.

Assemblymember Bettine asked about the process of having the Pt. MacKenzie side on the national highway system, including the Pt. MacKenzie Road, Burma Road and the road to Willow.

Mr. Springer explained that this is already part of the development plan to have a new corridor connecting the Seward Highway with the Parks Highway.

*D. Core Area Plan Update (Requested by: Mayor Anderson)*

Mr. Kevin Waring, independent planning consultant:

- explained that he is preparing the plan update and the in-house Planning Department will prepare the final document and oversee the last stages of the public review process;
- remarked that an update was attempted in 2003 by Peter J. Smith & Co., but it was not completed or adopted; and
- stated that the update is near completion.

Assemblymember Bettine asked if the same core area boundaries set a decade ago have been kept.

Mr. Waring:

- advised that the ordinance defines the core area; and
- acknowledged the growth by bringing up the relationship between the core area and the cities.

Mayor Anderson noted that the outlying areas could opt in to the core area plan.

Assemblymember Kvalheim pointed out the jurisdictional problems between community councils and assembly districts.

E. Multi-Family Ordinance (*Requested by: Mayor Anderson*)

Mr. Jones, Planning Division Chief:

- advised that there were five work sessions over the last year;
- noted that the Planning Commission, on August 17, 2006, recommended that the ordinance be moved forward to the Assembly;
- advised that Assembly introduction is set for September 19, 2006, and a public hearing set for October 17, 2006; and
- explained there had been several substantial amendments.

Assemblymember Bettine inquired about the substantial amendments.

Mr. Jones:

- advised that he is not certain that the amendments should be characterized as substantial;
- reported that the amendments were discussed at the Planning Commission; and
- explained that one change called for 12 dwelling units per residential street lot, but the Planning Commission recommended that it be reduced to 4.

Assemblymember Bettine stated that her constituents have not had an opportunity to address the amendments and are concerned that the amendments do not follow the construction manual.

Mr. Sev Jones reported he has no specifics on that and asked Assemblymember Bettine for information.

Assemblymember Colver expressed concern about site condos and emergency services.

Mr. Jones:

- advised that distance between habitable structures was set at 30 feet;
- explained that the fire department had input; and
- stated that a sprinkler system incentive was added.

~~F. Title 16 Update (*Requested by: Mayor Anderson*)~~

G. Combine Amnesty for Set Back Violations with the Effective Date of the Land Use Permit (*Requested by: Commissioner Larson*)

Commissioner Larson:

- explained that there were several cases of serious setback violations that cannot get a variance and the property is not saleable;

- suggested a one-time amnesty for setback violations in conjunction with a land use permit; and
- supported surcharging the setback violator every year until the violation is cured.

Assemblymembers Allen and Kvalheim stated their support for the concept, as well as imposing a surcharge.

Discussion ensued regarding costs, requirements, ongoing setback violations, and the proposed amnesty program.

Mayor Anderson stated that it would have to be addressed at the Assembly level.

~~H. Variance Issues~~ *(Requested by: Assemblymember Kvalheim)*

I. Water Quality Legislation *(Requested by: Assemblymember Kvalheim)*

Mr. Jones:

- advised that this was a Title 16 discussion regarding impacts to water bodies from developments;
- noted that this included riparian buffer zones and how to accommodate that;
- disclosed that it was decided it was not appropriate in Title 16, but may be more appropriate in Title 17, the land use code;
- identified Mr. Frankie Barker as the staff member who will work on the issue this fall; and
- stated that perhaps a community ad hoc committee would be formed to discuss the issues.

**VII. PLANNING COMMISSION, MAYOR, ASSEMBLY, AND STAFF COMMENTS**

Commissioner Masteller pointed out that recent flooding proves the need for buffer areas.

Assemblymember Kvalheim stated that she wanted major construction projects to buy American products.

Assemblymember Vehrs:

- described a letter from a road service area supervisor and requested follow-up; and
- stated that a tape monitor at the Animal Shelter, which protects Borough staff and the community members from accusations of inappropriate behavior, is a good idea.

Assemblymember Bettine:

- encouraged the Assembly to do more volunteer appreciation and public relations; and
- suggested that Ms. Patty Sullivan might feature volunteers.

Assemblymember Colver:

- thanked the staff for the flood response; and
- suggested that a setback violation solution may be viewed as a tax assessment tool.

Mayor Anderson:

- thanked the staff for the flood response;
- expressed support for buffer zones along water bodies; and
- noted that 200 people attended the Ketchikan Shipyard keel laying for Sealifter Susitna ferry and reported on the ceremony.

### **VIII. ADJOURNMENT**

The special meeting was adjourned at 9:05 p.m.

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TIMOTHY L. ANDERSON, Borough Mayor

ATTEST:

**/ S /**

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MICHELLE M. MCGEHEE, CMC, Borough Clerk

Minutes approved: 09/19/06