

# MATANUSKA-SUSITNA BOROUGH AGRICULTURE ADVISORY BOARD

<b>Chairman</b> – LaMarr Anderson (01)	Tony West (03)	Dylan Blankenship (06)	Kenneth Hoffman (10)
<b>Vice Chair</b> – Misty O'Connor (09)	Alexandria Hoffman (04)	Adam Jensi (07)	Thomas Bergey (11)
Sharmin Oathout (02)	Jozef Slowik (05)	VACANT (08)	Abby Raisanen(12)

## **AGENDA**

**REGULAR MEETING**  
**DSJ Building / Lower-Level Conference Room**

**April 16, 2025**  
**4:30 P.M.**

**Call In #: 1-907-290-7880**

**Participant Code: 625 235 317#**

- I. CALL TO ORDER; ROLL CALL
- II. APPROVAL OF AGENDA; PLEDGE OF ALLEGIANCE
- III. AUDIENCE PARTICIPATION (Limit 3 minutes)
- IV. APPROVAL OF MINUTES: March 19, 2025 Meeting
- V. ITEMS OF BUSINESS
  - A. Staff Report – Suzanne Reilly
    1. Mat-Su Farms – updated list
  - B. Resolution 25-02: A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH AGRICULTURE ADVISORY BOARD RECOMMENDING THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY ADOPT ORDINANCE SERIAL NO. 25-023, CONVEYING THE BOROUGH'S DEVELOPMENT RIGHTS INTEREST TO TORY AND CYNTHIA OLECK FOR FEE SIMPLE TITLE WITH AGRICULTURAL COVENANTS (MSB001235).
    1. Staff Report – Suzanne Reilly
  - C. Assessor's Office – Krista King and Buddy Eveland
    1. SB 179 Overview
    2. Consequences of Smaller Ag Parcels
  - D. Work Session – Review Draft Legislation  
*Investigate the feasibility of smaller parcels and more subdivisions and develop a recommendation to the Assembly while ensuring de minimis loss of agricultural land.*
- VI. MEMBER COMMENTS (Limit to 3 minutes)
- VII. NEXT MEETING: May 21, 2025
- VIII. ADJOURNMENT

1                                   **MATANUSKA-SUSITNA BOROUGH**  
2                                   **AGRICULTURE ADVISORY BOARD**

3

<b>Chairman – LaMarr Anderson (01)</b>	<b>Tony West (03)</b>	<b>Dylan Blankenship (06)</b>	<b>Kenneth Hoffman (10)</b>
<b>Vice Chair – Misty O'Connor (09)</b>	<b>Alexandria Hoffman (04)</b>	<b>Adam Jensi (07)</b>	<b>Thomas Bergey (11)</b>
<b>Sharmin Oathout (02)</b>	<b>Jozef Slowik (05)</b>	<b>VACANT (08)</b>	<b>Abby Raisanen(12)</b>

4  
5                                   **MINUTES - DRAFT**

6  
7                                   **REGULAR MEETING**

**March 19, 2025**

8                                   **DSJ BUILDING**

**4:30 P.M.**

9                                   **LOWER LEVEL CONFERENCE ROOM**  
10

11                   I.       **CALL TO ORDER; ROLL CALL**

12                       Mr. Anderson called the meeting to order at 4:35 p.m.

13                       Members present and establishing a quorum were: LaMarr Anderson (left 5:15 pm),  
14                       Misty O'Connor (arrived 4:38 p.m.), Sharmin Oathout, Tony West, Jozef Slowik (by  
15                       phone), Dylan Blankenship, Adam Jensi, and Abby Raisanen

16                       Members absent and excused: Alexandria Hoffman, Kenneth Hoffman

17                       Members absent: Thomas Bergey

18                       Staff present: Suzanne Reilly, Asset Manager

19                                   Joseph Metzger, Land Management Division Manager

20                                   Margie Cobb, Department Administrative Specialist  
21

22                   II.       **APPROVAL OF AGENDA; PLEDGE OF ALLEGIANCE**

23                       Agenda approved as presented.  
24

25                   III.       **AUDIENCE PARTICIPATION (Limit 3 minutes)**

26                       Rob Wells: Passed around a dahlia tuber and shared about his farm business.

27                       Barbara Beckage/ARRC: Observing the meeting; assists with farm loans.  
28

29                   IV.       **APPROVAL OF MINUTES**

30                       The February 19, 2025 Minutes were approved as presented.  
31

32                   V.       **ITEMS OF BUSINESS**  
33

34                   A.       **Staff Report – Suzanne Reilly**

35                               - Welcomed new Board Members, Ms. Oathout and Mr. Blankenship.

36                               - Shared letter that MSB Assessments has for the incorporation of the State Ag  
37                               deferment for buildings. Concerns expressed by Board will be discussed with  
38                               Assessments.

39                               - Mat-Su Farms list has been updated; still soliciting input from the Board to  
40                               make this list as complete as possible.

41                               - Proposal by Chairman Anderson that the Board meet during the summer months  
42                               to keep momentum on code changes they are working on. Approved  
43                               unanimously.  
44  
45

B. Resolution 25-01: A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH AGRICULTURE ADVISORY BOARD RECOMMENDING THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY ADOPT ORDINANCE SERIAL NO. 25-018, CONVEYING THE BOROUGH'S DEVELOPMENT RIGHTS INTEREST TO MARK AND SANDRA STAHL FOR FEE SIMPLE TITLE WITH AGRICULTURAL COVENANTS (MSB001274).

Ms. Reilly shared a brief staff report. Mr. West moved to approve this Resolution; Mr. Jenski seconded. Motion passed unanimously.

C. Work Session – New Title

Mr. Blankenship motioned to go into Committee As A Whole at 5:15 p.m; Mr. Jenski seconded. Notes from this work session attached.

Ms. O'Connor motioned to come out of Committee as a Whole at 6:09 pm; Mr. Blankenship seconded.

VI. MEMBER COMMENTS (Limit to 3 minutes)

Mr. Metzger: Offered new Board members to sit with staff for an Ag Program 101.

Mr. Blankenship: Happy to be here; exciting time to be in agriculture in Alaska.

Ms. Oathout: More you talk about things that are important to you the more you work things out. Happy to be here.

Mr. West: What we put down will be around for a long time; as we have these discussions with more people and more information out there, we will have better resource to build what is best for this community.

Mr. Slowik: Good discussion, valid points. Need a mentor farmer program to help new farmers, give them pointers.

Ms. O'Connor: Expressed that no one expects this to be a couple meetings. Welcomed new Board members; glad you're on board..

VII. NEXT MEETING: April 16, 2025

VIII. ADJOURNMENT

Ms. O'Connor adjourned the meeting at 6:13 p.m.

ATTEST:

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LaMarr Anderson, Chairman      DATE

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Margie Cobb  
Department Administrative Specialist



## MATANUSKA-SUSITNA BOROUGH

### Department of Finance

### Division of Assessment

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 861-8642

[www.matsugov.us](http://www.matsugov.us)

Dear Farm Use Applicant,

In 2024, Senate Bill 179 (SB 179-Bjorkman) was passed by the Alaska State Legislature and signed into law by the Governor. This new law introduces significant modifications to the deferment program, and not all previously approved farms will qualify under the revised statutory requirements.

Under the updated AS 29.45.060, applicants seeking deferment must meet the following criteria:

- Submit an application using an approved form provided by the state assessor on or before **May 15** of the year for which deferment is sought.
- Certify at least **\$2,500 in farming income** from the subject parcel by submitting a copy of the Internal Revenue Service's **Schedule F (Form 1040)** for the year of the application to the borough assessor.
- Demonstrate that the land is used for **the production of crops, fruits, or other agricultural products** intended for **human or animal consumption** or for the **sustenance or grazing of livestock**.
- Meet the definition of livestock, which includes **cattle, hogs, sheep, goats, chickens, turkeys, pigeons, or other poultry** raised for meat or other products for human consumption.

Please note the following important provisions of the statute:

- **Late or incomplete applications** will be denied. If an application is submitted after the deadline or does not include IRS Schedule F verifying at least **\$2,500 in farming income**, it **will not** be approved.
- The statute **does not provide exceptions** for corporations that are not required to file a Schedule F.
- The deferment program **does not apply** to crops that are not intended for human or animal consumption. For example, flower farms or the grazing of horses **no longer qualifies** under the revised statute.

### Deferment for Farm Structures

*Providing Outstanding Borough Services to the Matanuska-Susitna Community.*

A key change under the revised statute is the ability to apply the deferment to **structures used exclusively for farm purposes**. If an applicant can demonstrate—through an **on-site physical inspection** of both the **interior and exterior**—that a building is used **solely** for farming, that structure may qualify for the tax deferment.

However, **partial deferment is not permitted** under the law. This means that **no portion of a farm building can be used for personal purposes**—the entire structure must be exclusively dedicated to farm operations. *If any portion of the building is used for non-farm purposes, the structure will not qualify for deferment.*

### **Valuation and Tax Deferment**

Approved applicants will have their land and eligible structures assessed at full market value while benefiting from a 96% discounted deferment on the assessed value of qualifying farm structures for the applicable year. The land deferment will remain unchanged, reducing the appraised value to \$350 per acre. Please note that this program still has a recapture clause, with details outlined in the full text of AS 29.45.060, enclosed with this letter.

This will be the valuation process the Matanuska-Susitna Borough will use until notified by the State of Alaska of a different required process.

If you have any additional questions regarding the legislation changes, please contact Dan Nelson, State Assessor, with the State of Alaska at 907-269-4565.

Sincerely,

Krista King  
Assessments Manager

## **Mat-Su Farms**

1. **All Dahlia'd Up** (2014): Misty Vanderweele, of a long-time farming family, grows dahlias and other flowers on 2 acres in Palmer.
2. **Arctic Organics** (1988): Specializes in organic vegetables, herbs, berries, apple trees, cut flowers, bees, and poultry for eggs & meat on 20 acres in Palmer.
3. **Birch Creek Ranch** (1981): Specializes in beef and pork, along with hay, commercial greenhouses, and vegetable & berry production on over 100 acres in Talkeetna.
4. **Blankenship Farm (xxxx)**: Grower and producer of hay and beef on over 1,600 acres in Pt. MacKenzie, Wasilla.
5. **Bushes Bunches** (1956): Grows a wide range of vegetables and operates a farm stand with offerings from many local farmers, including Kenley's Alaskan Vegetables & Flowers, Black Bear Farms, Pam's Carrots, and more. Land in production is over 14 acres in Palmer.
6. **Byler Farm (xxxx)**: Grows hay on 500 acres in Pt. MacKenzie, Wasilla.
7. **Champion Peonies (xxxx)**: Peony grower on two of 40 acres in Wasilla.
8. **Chugach Farm** (2010): Produces nutrient-dense vegetables, chicken & duck eggs, forested pork, ferments, herbal medicine and other products on under 5 acres in Chickaloon.
9. **Cottonwood Creek Farm** (2000): An alpine goat farm known for goat milk, milk products and baby goats on 7.85 acres in Wasilla.
10. **Country Garden Farms** (2003): Grower and producer of turfgrass sod, hay, compost, straw, and erosion control products on over 80 acres in Palmer. Klatt-Longbrake families
11. **Crop Circle Farms (xxxx)**: Certified seed potato producer on \_\_\_\_ acres in \_\_\_\_.
12. **Dearborn Farm (xxxx)**: Certified seed potato producer on \_\_\_\_ acres in \_\_\_\_.
13. **Denali Peony Farm (xxxx)**: Peony producer on \_\_\_\_ acres in Sunshine.
14. **Double T (xxxx)**: Grower and producer of hay and beef on over 900 acres
15. **Eagle Song Peony Consortium (xxxx)**: Flower consortium of over 40 growers; operates on \_\_\_\_ acres in Palmer(?)
16. **Fresh Starts Farm (xxxx)**: ...grows microgreens(?) on one acre in Palmer(?)

17. **Frostbit Farm (xxxx):** A premier sporthorse facility including boarding.
18. **Glacier Valley Farm (xxxx):** Produces \_\_\_\_\_ on five acres in Glacier Valley(?)
19. **Goshen Gardens and Greenhouse (xxxx):** Fifth generation grower of vegetables on six acres in Palmer.
20. **Hammer Valley Birch (xxxx):** Produces birch syrup and products on over 100 acres in Talkeetna(?)
21. **He's Alive Farm (xxxx):** Grows hay and vegetables on approx. 600 acres.
22. **Jim Parker (xxxx):** Pig producer on \_\_\_\_\_ acres in \_\_\_\_\_.
23. **Juice, Jelly & Jam (xxxx):** Produces berry products on two acres in Palmer(?)
24. **Kashwitna Peonies Farm (xxxx):** Peony grower on \_\_\_\_\_ acres in Willow.
25. **Kenley Gourmet Vegetables (xxxx):** Grows specialized vegetables on 10 acres in Palmer(?)
26. **Little Pitchfork Ranch (1947):** Raised cattle, oats & barley in the early days, expanding to bison, elk & draft horses on \_\_\_\_\_ acres in Palmer.
27. **Matanuska experiment Farm and Extension Center (19XX):** Grows a variety of berries and vegetables on \_\_\_\_\_ acres in Palmer.
28. **Mat-Su Microgreens (XXXX):** ...grows microgreens on one acre in Palmer(?)
29. **Mid Valley Greenhouse (XXXX):** Grows flowers, plants, and vegetables as well as 30,000 lbs of tomatoes every year in greenhouses on \_\_\_\_\_ acres. Located at Hyer Road and Blue Lupine, off the Parks Hwy in Palmer.
30. **Moffit Farms (xxxx):** Grower and producer of hay, beef and compost on 400 acres.
31. **Moon Stone Farm (1935):** Started by homesteaders John and Julia Church, this farm now offers Alaska brewed adult beverages as well as local farm vegetables and hay on 30 acres in Palmer.
32. **Mountain Field Farm (1967):** A peony farm dedicated as a conservation easement with the Alaska Farmland Trust in 2018, to ensure this land remains farmland forever. Also offered is a wedding venue and gift shop on this 20-acre farm in Palmer.
33. **Mt. McKinley Peonies (xxxx):** Peony grower on \_\_\_\_\_ acres in Willow.

34. **Musk Ox Farm** (circa 1964): While primarily focused on musk oxen, this farm also contributes to local agriculture through educational programs, qiviut products, and tours on Palmer.
35. **Northern Lights Dairy**: Produces milk and dairy products, focusing on sustainable practices<sup>2</sup>.
36. **Northern Lights Elk Ranch**: Raises elk for hunting & meat production, chickens for egg & meat production, and other farm animal products.
37. **Palmer Produce**: Specializes in a variety of vegetables and participates in local farmers' markets<sup>2</sup>.
38. **Parker Ranch** (xxxx): Hog, poultry, and bird dog raising on \_\_\_\_ acres in Palmer.
39. **Polaris Poultry** (xxxx): Chicken and egg producer on \_\_\_\_ acres in \_\_\_\_\_.
40. **Pyrah's Pioneer Peak Farm** (1979): A popular U-pick farm offering a range of vegetables and berries, prepared meals, and local events on 277 acres in Palmer.
41. **Reindeer Farm** (1987): Offers a unique mix of reindeer, elk, and other livestock, providing educational tours.
42. **Rempel Family Farm** (1962): Produces over 70 different certified organic vegetables, including the now famous Rempel Carrots, on 135 acres in Palmer.
43. **RK Ranch** (xxxx): Grower and producer of hay, beef and bison on over 2,000 acres in Pt. MacKenzie, Wasilla.
44. **Serenity Farms** (xxxx): Produces peonies, vegetables, apples, and offers a retreat on 40 acres in Big Lake.
45. **Singing Nettle Farm** (xxxx):
46. **Spring Creek Farm / Alaska Pacific University - Kellogg Campus**: Focuses on sustainable agriculture and education at the Kellogg Campus on 700 acres in Palmer.
47. **Sun Circle Farm**: Known for its organic vegetables and community-supported agriculture (CSA) programs in Palmer.
48. **Sunderland Ranch** (40 years): A working ranch including Angus cattle and timothy hay production, the Sunderlands have expanded into Ag-tourism and education programs on their 350-acre ranch in Palmer.
49. **Susitna Organics Compost** (xxxx): Compost producer.
50. **Tattletale Honey** (xxxx): Honey producer on \_\_\_\_ in Palmer(?)



51. **Vanderweele Farms** (1967): Vanderweele Farms is one of the oldest and largest farms in the Mat-Su. They produce a wide variety of vegetables including potatoes, lettuce, broccoli, cabbage and carrots on 300 acres in Palmer.

52. **Willow Farm**: Known for its diverse vegetable production and participation in local markets<sup>2</sup>.

53. **Wolverine Farms** (xxxx): Divilbis family; grower and producer of hay and beef on \_\_\_\_\_ acres in Palmer.

These farms contribute significantly to the local food supply and economy, showcasing the diversity and productivity of agriculture in the Matanuska-Susitna Valley.

DRAFT

**MATANUSKA-SUSITNA BOROUGH  
AGRICULTURE ADVISORY BOARD  
RESOLUTION NO. 25-02**

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH AGRICULTURE ADVISORY BOARD RECOMMENDING THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY ADOPT ORDINANCE SERIAL NO. 25-023, CONVEYING THE BOROUGH'S DEVELOPMENT RIGHTS INTEREST TO TORY AND CYNTHIA OLECK FOR FEE SIMPLE TITLE WITH AGRICULTURAL COVENANTS (MSB001235).

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WHEREAS, the Borough Agriculture Advisory Board was enacted by Matanuska-Susitna Borough Ordinance 15-050 to review issues specifically related to and affecting Borough agriculture lands, and advise the Assembly and Manager on such matters; and

WHEREAS, the Agriculture Advisory Board asked Land and Resource Management staff to develop a program to convert and merge the Borough's development rights held in deeds for the 1977, 1981, 1982, and 1983 agricultural land sales programs; and

WHEREAS, on November 22, 2022, Informational Memorandum No. 22-224 was presented to the Matanuska-Susitna Borough Assembly and the Assembly approved Resolution Serial No. 22-105, amending Title 23 Real Property and the Land and Resource Management Policy and Procedures Manual Part 5, for the Agricultural Land Sales under former Title 13 that occurred in 1977, 1981, 1982, and 1983 and merge the Borough's development right with the agricultural rights title for fee simple title with agricultural covenants; and

WHEREAS, the Matanuska-Susitna Borough Land and Resource Management Division received an application from Tory and Cynthia Oleck to acquire the remaining interest in the land estate of Tax

ID 19N05W13C002; legally known as the Northwest one-quarter of the Southwest one-quarter (NW1/4 SW1/4), Section 13, Township 19 North, Range 5 West, Seward Meridian, according to the official Bureau of Land Management Survey thereof, located in the Palmer Recording District, Third Judicial District, State of Alaska; and

WHEREAS, Tory and Cynthia Oleck qualify to purchase the remaining interest in a land estate in accordance with MSB Title 23 and Land and Resource Management Policy and Procedures.

NOW, THEREFORE, BE IT RESOLVED, that the Matanuska-Susitna Borough Agriculture Advisory Board recommends the Matanuska-Susitna Borough Assembly hereby adopt Ordinance Serial No. 25-023, conveying the Borough's development rights interest to Tory and Cynthia Oleck for fee simple title with agricultural covenants.

ADOPTED by the Matanuska-Susitna Borough Agricultural Advisory Board this 16th day of April 2025.

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LaMarr Anderson, Chairman

ATTEST:

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Margie Cobb,  
Department Administrative Specialist

**MATANUSKA-SUSITNA BOROUGH INFORMATION MEMORANDUM****IM No. 25-050**

**SUBJECT:** AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY CONVEYING AND MERGING THE BOROUGH'S DEVELOPMENT RIGHTS INTEREST WITH THE AGRICULTURAL RIGHTS TITLE FOR FEE SIMPLE TITLE WITH AGRICULTURAL COVENANTS FOR TAX ID 19N05W13C002, TO TORY AND CYNTHIA OLECK (MSB001235).

**AGENDA OF: May 6, 2025****ASSEMBLY ACTION:****AGENDA ACTION REQUESTED:** Introduce and set for public hearing.

Route To	Signatures
Originator	<u>                    X                    </u>
Department Manager	<u>                    X                    </u>
Department Director	<u>                    X                    </u>
Finance Director	<u>                    X                    </u>
Borough Attorney	<u>                    X                    </u>
Borough Manager	<u>                    X                    </u>
Borough Clerk	<u>                    X                    </u>

**ATTACHMENT(S):** Ordinance Serial No. 25-023(2 pp)

Fiscal Note (1 pp)

Vicinity Map (1 pp)

Declaration of Covenants, Conditions, and  
Restrictions (5 pp)

Agriculture Advisory Board Resolution 25-02 (2 pp)

**SUMMARY STATEMENT:** Matanuska-Susitna Borough Land and Resource Management Division received an application from Tory and Cynthia Oleck to acquire the remaining interest in the land estate of the Northwest one-quarter of the Southwest one-quarter (NW1/4 SW1/4), Section 13, Township 19 North, Range 5 West, Seward Meridian, according to the official Bureau of Land Management Survey thereof, being located in the Palmer Recording District, Third Judicial District, State of Alaska (Tax ID 219N05W13C002). This request would merge the Borough's development rights with the agricultural rights title for a fee simple estate and would implement the covenants, conditions, and restrictions used under Title 23 agricultural programs, as allowed under MSB 23.10.230(A)(1)(g).

**DISCUSSION:**

The subject property (1 parcel) totals approximately 40 acres and was originally sold as a single parcel under former Title 13 in 1982.

Under former Title 13, when the Borough conveyed land in agricultural land sale programs, it conveyed the "agricultural rights" to the buyer and retained the "development rights". MSB 13.30.120(H) defined the rights conveyed as "All rights except mineral rights and development rights. Development rights are the rights to subdivide or use the surface of the land for residential, commercial or industrial uses which are not part of the farming enterprise conducted on the land".

Title 13 was replaced by Title 23 in 1994. Under Title 23, when the Borough sells agricultural properties, it conveys fee simple estate and imposes covenants, conditions, and restrictions on the fee simple title. The covenants, conditions, and restrictions are designed to maintain the agriculture potential of the land without requiring certain clearing or production requirements as necessary under former Title 13.

In November of 2022, the Borough Assembly approved Resolution Serial No. 22-105 and Informational Memorandum No. 22-224 authorizing changes to the Title 23 and the Land & Resource Management Policy and Procedures Manual. These changes created a voluntary program that allows agricultural land sales under former Title 13 to convert and merge the Borough's development interest to create fee simple title with agricultural covenants under Title 23.

An interdepartmental review was conducted that concluded with no objection from Borough departments. Public notice was provided in accordance with MSB 23.05.025 and no comments were received.

Pursuant to MSB 23.10.230(A)(1)(g) the Manager may, with approval of the Assembly by ordinance, approve a sale of Borough-owned real property by application for disposal of the Borough's interest in the agricultural land sales conducted in 1977, 1981, 1982, and 1983. Tory and Cynthia Oleck have submitted an application and qualify to purchase the remaining interest in a land estate in accordance with MSB Title 23 and Land and Resource Management Policy and Procedures.

**RECOMMENDATION:**

Land Management staff recommends the Assembly approve the conveyance of the Borough's remaining interest in Tax ID 19N05W13C002 to Tory and Cynthia Oleck, as outlined in MSB 23.10.230 (Agreements by Application), and authorize the Manager to finalize the transaction, including implementation of the attached agricultural covenants, conditions, and restrictions.

## Case for Allowing Agricultural Parcels at a Minimum of 10 Acres in the Mat-Su Borough, Alaska **-OPT IN PROGRAM** [Proposition 23 - new chapter]

### Purpose of **Legislation**

The aim of this proposed legislation is to encourage and assist new farm operations in the Mat-Su Borough by **creating** smaller, more affordable land to begin and sustain farming operations. By allowing ag parcels to be subdivided to no less than 10 acres, we aim to lower a significant financial barrier to entry of farming, creating a pathway for smaller farms to succeed and contribute to the Borough's agricultural and economic vitality, while preserving existing agricultural land in the Borough **and having it used for its intended purpose**.

### Definition of Agriculture

Per Title 23 of the MSB Code, "Agriculture" is defined as:

*The production and harvest or care of plants, animals, birds, fish, bees, and other organisms by humans for use in providing food, fuel, fiber, shelter, travel, clothing, energy, and aesthetics. [Refine for smaller ag]*

### Approved or Restricted Use of Parcels under 40 acres

[Address allowed use for animals, tree production, energy, agro-tourism, etc.]

- [Back yard gardens \(?\)](#)

### Key Points

#### 1. **Affordability for New Farm Operations**

- [For qualified buyers only with certain education or experience requirements?](#)
- [Smaller parcels may offer significantly lower acquisition costs, making land ownership more accessible to new farm operations.](#)
- [Smaller parcels tend to sell for higher per-acre prices \(small parcel premium\)](#)
- [Clearing land increases cost; co-op?](#)
- [Allowing existing farms to subdivide and lease out](#)

Encouraging the establishment of new, smaller-scale farms will diversify the agricultural landscape of the Mat-Su Borough, leading to an increase in local food production and fostering agricultural innovation.

**Commented [MC1]:** 3/19/2025 Work Session

Adds to consider:

Senior farmer can remain who has been farming for ## years.

**Commented [MC2]:** 3/19/2025 Work Session

Chapter or Title? Suzanne will research further w/Legal

**Commented [SR3R2]:** Chapter

**Commented [MC4]:** 3/19/2025 Work Session

SO: Difficult to get help; government does for inspection only & makes it hard; has overlap of licenses. Training is important, info on classes needs to be shared to farmers/general public.

AJ: tax deferment for backyard gardens, create incentive for this, provide food security.

MO: How can the scope of the Board be extended beyond just Ag Programs?

**Deleted:** reducing the obtain

**Commented [MC5]:** 3/19/2025 Work Session

Add Reversionary Clause – if requirements are kept, Borough can reclaim that property.

**Commented [MC6]:** 3/19/2025 Work Session

Financing difficult if there is not a home on property w/o a home; even more with covenants/restrictions.



## 2. Tax Relief for Proven Agricultural Operations

- Farmers who can demonstrate legitimate agricultural activity by submitting IRS 1040 Schedule F (or other approved options), with at least \$2,500 in agricultural sales generated from the land during the current tax year, will be eligible for property tax relief by discounting the assessed land value to \$500 per acre. [Define criteria for a new farm without Schedule F: [Schedule C](#)]

This financial incentive will provide immediate relief to active farmers, allowing them to reinvest in their farms, expand operations, and further contribute to the local economy.

## 3. Land Classification and Location

- Eligible parcels must be located on lands that are either currently classified as agricultural or can be reclassified as such through application.

This ensures that the land is suitable for agricultural use, while preventing agricultural development within residential or mixed-use zones, thus preserving the integrity and character of established neighborhoods.

## 4. Subdivision Guidelines

- To maintain efficient land use and minimize fragmentation, the subdivision of parcels into smaller agricultural units must be approved by Borough Land Management Department to ensure consistency with the borough's agricultural goals and zoning regulations.

[Do we want to add a reversionary clause? Farmhouse and outbuildings allowed...? Need to be cautious about losing ag land to roads and buildings.]

## 5. Farm Plan Requirement

- New agricultural landowners will be required to submit a farm plan outlining their intended agricultural use, which may include crop production, livestock raising, or other agricultural activities.
- [Soil & Water Conservation District can help to develop a plan.](#)

This will help ensure that the land is used in a manner that is both sustainable and in alignment with borough regulations.

**Commented [MC7]:** 3/19/2025 Work Session  
Include other forms of proof, i.e., Schedule C for LLC, what demonstrates proof of agricultural activity.

**Deleted:** Set up alternate way to prove commercial agricultural activity.¶



## 6. Annual Application for Tax Exemption

- Farmers seeking to maintain tax exemptions must submit an annual[?] application, verifying continued agricultural activity through IRS documentation or other evidence of farm activity.

This will ensure that tax incentives are granted only to those actively contributing to the borough's agricultural economy.

## 7. Covenants – review Title 23 CCRs

### 8. Non-Compliance

- If non-compliant, the owner/lessee must repay taxes at the market value of the land or the amount discounted for the prior 7-years, or the period owned or leased up to 7 years.
- [Reversionary clause?](#)
- [Senior exception](#)

Deleted: –

### 9. Sale of Ag parcels

- Purchase and Sale transaction must be reviewed and approved by the MSB.
- Buyer must sign agreement to use the property for agricultural purposes and submit a farm plan to the MSB for approval.

Deleted: – the

## Conclusion

Allowing agricultural parcel to be subdivided to no less than 10 acres, paired with targeted tax exemptions for active farmers, represents a forward-thinking approach to supporting new agricultural ventures in the Mat-Su Borough. This legislation will help [to](#) alleviate barriers to entry for new farmers, promote local food production, and increase the borough's food security. By fostering a more vibrant, diversified agricultural sector, this initiative will contribute significantly to the region's economic growth and sustainability.

# Agriculture Codes

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## MAT-SU BOROUGH TITLE 23

### 23.05.100 Classifications (A)(1)

"Agricultural lands" are those lands which, because of soils, location, physical or climatic features, or adjacent development, are presently or potentially valuable for the production of agricultural crops.

### 23.05.150 Definitions

"Agriculture" means the production and harvest or care of plants, animals, birds, fish, bees, and other organisms by humans for use in providing food, fuel, fiber, shelter, clothing, energy, and aesthetics. Kennels and catteries are not considered as an agricultural use.

### 23.10.150 Agricultural Land

(A) In accordance with policies and procedures adopted by assembly resolution, the manager may conduct agricultural land sale programs.

(B) Land offered for agriculture will be classified or zoned solely for agricultural purposes and the conveyance of agricultural parcels will be by fee simple title.

(C) The manager may establish conditions of sale which are best designed to promote the agricultural use and development of the subject lands.



## MAT-SU BOROUGH TITLE 13 <sup>(Repealed)</sup> (paraphrased)

### 13.25.070 Classification (B) (1)

Borough land in parcels 40 acres or larger which consist of 40% or more Soil Conservation Service capability classes II and III shall be classified agricultural.

### 13.05.010 Definitions (B)(1)

"Agricultural lands" are those lands which, because of soils, location, physical or climatic features, or adjacent development, are suitable for the production of agricultural crops.

### 13.30.120 Agricultural Land

(B) Ag classified land, or rights in land, shall not be sold or granted except for Ag use.

(C) Ag parcels shall be offered for sale in acreage not more than 640 acres, nor less than 40. Smaller, isolated parcels adjacent to other Ag land in production may be classified and sold for Ag purposes.

(D) No person, partnership or corporation may purchase more than 640 aggregate acres in any sale.

(F) A farmer/owner of an existing farm adjacent to classified Ag land being offered for sale shall be preferred by meeting the previous highest bid as long as he has complied with all other requirements of the sale. No preference shall be given if existing farm has been subdivided into parcels smaller than 40 acres and no residence building site shall be allowed on Ag parcel purchased by preference.

(H) All rights except mineral and development rights shall be sold. Development rights prohibit use for residential, commercial or industrial uses not part of the farm plan and a deed restriction shall be issued stating this.

[Title 13 Adopted by Ord. 07-91, Repealed by Ord. 94-069AM1, § 2, 1994.]

## **DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS**

The Matanuska-Susitna Borough, a municipal corporation organized and existing under the laws of the state of Alaska (hereinafter "Declarant"), as owner of real property classified as "Agricultural lands," does hereby declare and impose these covenants, conditions, and restrictions on the real property described in "Exhibit A" attached hereto, in order to promote the agricultural use and development of the subject real property. This declaration of covenants, conditions and restrictions so declared are perpetual and shall run with the land and be binding on all parties coming under them hereafter, including all successors and assigns.

### **DEFINITIONS**

**Farm Unit:** The individual parcels described in this declaration, each to be conveyed as a single farm unit.

**Farm Sub-Units:** The parcels later created within the boundary of a Farm Unit.

**Improvement Sites:** The areas within a Farm Unit, or subsequent Farm Sub-Unit, that must be designated as the location for all real property improvements and the non-agricultural development permitted by this declaration.

**Primary Improvement Site:** The one (1) designated improvement site within a Farm Unit, or subsequent Farm Sub-Unit, in which the farm headquarters, residential use, and home-based business use, including associated well and septic systems, shall be located.

**Real Property Improvements:** Any structural improvement that is built or located upon the land in a fixed, permanent, or immovable state. For the purposes of this declaration, farm fencing, irrigation wells and systems, utility service lines (aerial or buried), farm field roads, and public infrastructure located in public use easements or right-of-ways are not considered as real property improvements that must be located within the designated Improvement Sites.

**Agricultural Development:** The development of the land for Agricultural Purposes.

**Agricultural Purposes:** The production and harvest, for commercial or personal use, of plants, animals, birds, fish, bees, and other organisms by humans to provide food, fuel, fiber, shelter, clothing, energy and aesthetics, and including:

Real property improvements used in the care, housing, processing, and storage of the agricultural assets, EXCEPT that kennels and catteries are not considered an agricultural purpose;

Other land improvements that are reasonably required for or related to agricultural development;

The personal use of gravel resources located within the Farm Unit for development within the Farm Unit boundary; and

The removal and disposition of timber located within the Farm Unit in order to bring the land into agricultural production.

**Residential Use:** Any Real Property Improvement that is used as living quarters by the landowner(s) or farm laborers employed on the Farm Unit, and including members of their immediate family residing with them.

**Home-Based Business Use:** A business activity carried out on the same Improvement Site as a Residential Use, being located in a residential structure or a detached appurtenance, that is clearly incidental and subordinate to the agricultural development. Examples of such a use may include professional service businesses, bed and breakfast or farm-stay businesses, and kennel and cattery businesses for boarding or breeding.

## **LAND USE RESTRICTIONS**

1. The farm headquarters, residential use, and home-based business use, including associated well and septic systems, shall be located within one (1) Improvement Site that is identified as the Primary Improvement Site. Additional Improvement Sites may be indicated within the Farm Unit but are strictly limited to facilities necessary to the agricultural development of the Farm Unit and shall not include residential or home-based business uses as defined herein. The aggregate area of all Improvement Sites may not exceed five (5) acres, unless specifically authorized by the Matanuska-Susitna Borough Manager.
2. The Borough Manager may authorize designated Improvement Sites in an aggregate area larger than five (5) acres when the additional area is needed for unusual or larger scale real property improvements necessary for agricultural development of the parcel.

The designated Improvement Site(s) must be identified prior to construction of the real property improvement(s) by the Farm Unit purchaser/owner submitting location map(s) on a form, approved by the borough manager that is acceptable for recording. The location and size of each designated Improvement Site, including the Primary Improvement Site, shall be indicated on the map. A "Notice of Designated Improvement Sites" that includes a copy of the location map(s) as approved by the Borough Manager shall be recorded in the office of the district recorder at the expense of the Farm Unit purchaser/owner. The Notice of Designated Improvement Sites, most recently accepted by the Borough Manager and recorded, may be used as a basis for enforcing the covenants, conditions and restrictions herein. The size and location of the Improvement Sites may be amended prior to construction of improvements within designated Improvement Sites. An "Amended Notice" shall be recorded in the same manner as the original "Notice".

3. Requests to amend or enlarge the designated Improvement Sites, including the fees to process such a request shall be submitted to the Matanuska-Susitna Borough, Land Management Division. The Borough Manager may impose such conditions of use on the additional acreage authorized as deemed prudent and necessary based on a review of the intended uses. A notice of the authorization of sites larger than five (5) acres aggregate and any special conditions of use shall be recorded as a part of the original "Notice" or as an "Amended Notice" in the records of the district recorder in the same manner as the "Notice".
4. The development of condominiums or co-operatively owned apartments within any area of the Farm Unit is prohibited.

5. The excavation or removal of any natural deposits of gravel, sand, rock, peat or similar natural resource materials located within the Farm Unit for the purposes of sale, trade, barter, or exchange is prohibited.
6. All development and uses within the Farm Unit shall conform to all federal, state, and local laws, regulations, and codes.

### **SUBDIVISION RESTRICTIONS**

1. A Farm Unit larger than 80 acres in size may be subdivided. The Farm Unit may not be divided into parcels less than 40 acres in size. No more than a total of four (4) parcels may result within the boundary of the Farm Unit. Parcels created from the Farm Unit by subdivision may not be further subdivided and will be identified as Farm Sub-Units.
2. A parcel subdivided from the Farm Unit will continue to come under this Declaration of Covenants, Conditions, and Restrictions.
3. Subdivision of the Farm Unit must meet the subdivision code and regulations in place at the time such subdivision occurs.
4. Each Farm Sub-Unit shall be authorized to designate not more than an aggregate of five (5) acres for Improvement Sites that may include one (1) Primary Improvement Site. The five (5) acre limit shall include any designated Improvement Sites located within the boundary of the Farm Sub-Unit previously existing under the rules for the Farm Unit, unless such site has not been utilized and its location is released by an approved amendment.

### **DEVELOPMENT REQUIREMENTS**

The Farm Units have been classified under MSB 23.05.100 as "Agricultural Lands" because they are recognized as land that "because of soils, location, physical or climatic features, or adjacent development are presently or potentially valuable for the production of agricultural crops". Any agricultural potential of the Farm Units shall be enhanced by land and water stewardship practices that minimize adverse environmental impacts. An implementation schedule for the development of each Farm Unit is not required and will not be enforced.

### **WASTE**

Development methods shall not waste the topsoil and other natural resources of the Farm Unit nor shall it diminish the agricultural potential of the Farm Unit.

### **AMENDMENT OR MODIFICATION**

This Declaration of Covenants, Conditions, and Restrictions is intended to be perpetual. The Matanuska-Susitna Borough Assembly having imposed these conditions under Ordinance Serial Number XX-XXX may amend or modify the Covenants, Conditions and Restrictions by subsequent ordinance.

### **INTERPRETATION**

The provisions of these covenants, conditions, and restrictions shall be liberally construed to effect the purpose of encouraging agricultural development. Failure to enforce any provision shall not constitute a

waiver of the right to enforce such provision or any other provision herein. Any conflicts in interpretation arising between this declaration and other covenants, conditions, and restrictions of record or zoning that may affect a Farm Unit or Farm Sub-Unit shall be adhered to based on the more restrictive interpretation.

## ENFORCEMENT

This Declaration of Covenants, Conditions, and Restrictions may be enforced only by a civil action brought by the Matanuska-Susitna Borough, its successors or assigns. A civil action may be filed after the plaintiff has notified the Farm Unit or Farm Sub-Unit owner(s), in writing by certified mail or personal service, of the particular violations of this Declaration at least 90 days before the civil action is undertaken. Enforcement under this section shall not limit the ability of a party to seek injunctive relief on an expedited basis when life, health, or safety is an issue.

IN WITNESS WHEREOF, this declaration is made and executed on this \_\_\_\_\_ day of \_\_\_\_\_, 2024 by the undersigned on behalf of the Matanuska-Susitna Borough under authority granted by the laws of the State of Alaska and the Matanuska-Susitna Borough.

ATTEST:

MATANUSKA-SUSITNA BOROUGH

\_\_\_\_\_  
Lonnie McKechnie, CMC  
Borough Clerk  
Seal:

\_\_\_\_\_  
Michael Brown, Borough Manager

STATE OF ALASKA            )  
  )ss.  
Third Judicial District        )

On \_\_\_\_\_, \_\_\_\_\_, 2024, Michael Brown, Borough Manager of the Matanuska-Susitna Borough, who is personally known to me, appeared and acknowledged before me that he signed the Declaration of Covenants, Conditions and Restrictions on behalf of the municipal corporation.

Seal:

\_\_\_\_\_  
Notary Public for State of Alaska  
My commission expires: \_\_\_\_\_

## Pros and Cons of Allowing Agricultural Parcels Less than 40 Acres

Allowing agricultural parcels smaller than 40 acres in Alaska has both advantages and disadvantages when it comes to preserving and promoting food security and agriculture. Here are some Pros and Cons:

### Pros

1. **Increased Accessibility:** Smaller parcels can make it easier for new and small-scale farmers to enter the market, as the cost of land is lower<sup>1</sup>.
2. **Diverse Crop Production:** Smaller farms can focus on diverse, high-value crops, which can enhance local food security by providing a variety of fresh produce<sup>1</sup>.
3. **Community Engagement:** Smaller farms often foster closer ties with local communities, promoting local food systems and direct-to-consumer sales, such as farmers' markets<sup>1</sup>.
4. **Sustainable Practices:** Small-scale farms are more likely to adopt sustainable farming practices, which can be beneficial for the environment<sup>2</sup>.

### Cons

1. **Economic Viability:** Smaller parcels may struggle with economic viability due to limited economies of scale, making it harder to compete with larger farms<sup>2</sup>.
2. **Infrastructure Costs:** Developing infrastructure (like irrigation systems) can be more expensive per acre on smaller parcels, potentially reducing profitability<sup>2</sup>.
3. **Land Fragmentation:** Allowing smaller parcels can lead to land fragmentation, which might complicate land management and conservation efforts<sup>2</sup>.
4. **Market Challenges:** Small farms may face challenges in accessing larger markets and distribution networks, limiting their growth potential<sup>2</sup>.

Balancing these pros and cons is crucial for policymakers aiming to support sustainable agriculture and food security in Alaska.

## Pros and Cons of Allowing Agricultural Parcels Less than 40 Acres

When considering the allowance of agricultural parcels smaller than 40 acres in Alaska, some factors to consider include:

### Environmental Impact

- **Soil Health:** Smaller parcels may lead to more intensive farming practices, which could affect soil health and long-term productivity<sup>1</sup>.
- **Water Resources:** The availability and management of water resources are crucial, especially in remote areas where infrastructure is limited<sup>2</sup>.

### Economic Factors

- **Market Access:** Ensuring that small-scale farmers have access to markets and distribution networks is essential for their economic viability<sup>1</sup>.
- **Funding and Grants:** Availability of financial support, such as grants for specialty crops, can help small farmers thrive<sup>3</sup>.