

FAIRBANKS NORTH
STAR BOROUGH

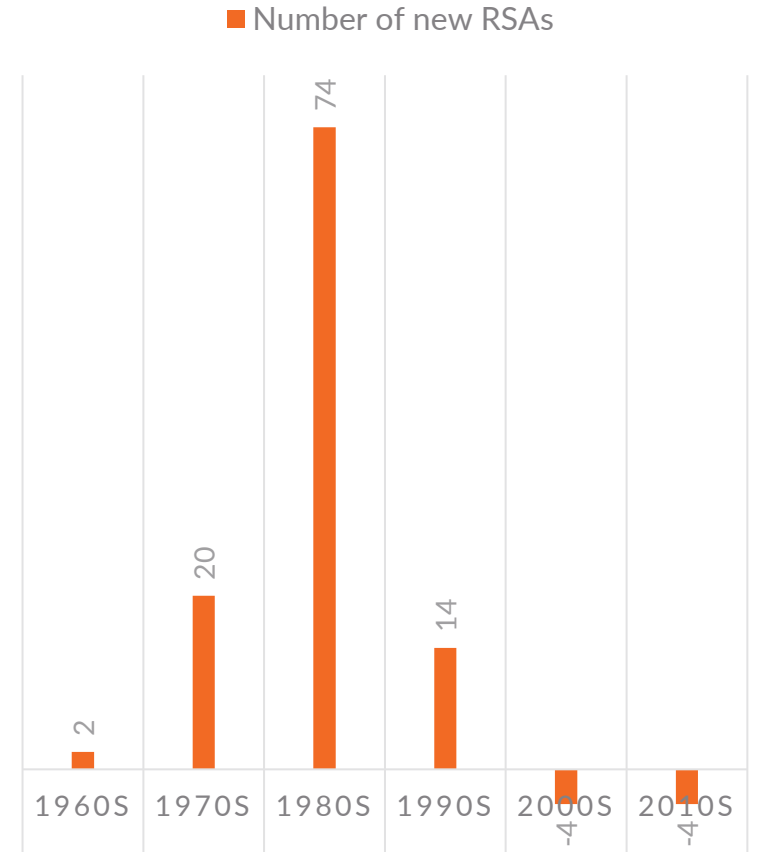
The Road Service Area Conundrum



Why do Road Service Areas (RSAs) exist?

- Road service areas are how road construction and maintenance powers are administered in second-class boroughs like the FNSB.
- Positives: Keeps services close to residents, keeps control of roads local.
- Unintended consequences: RSAs proved easy to establish but difficult to consolidate, leading to unwieldy numbers of commissions, elections, etc.
- Growth of RSAs has largely stopped since early 2000s – but that's also an issue

NUMBER OF NEW FNSB RSAS BY DECADE



Fairbanks North Star Borough

RSA elections and why they fail

- Existing road service areas tend to be disinclined to allow new areas/parcels to join.
- From 1972-2004, state shared revenue incentivized RSA expansion, so new RSAs were created because it was easier than adding area to existing RSAs.
- Since 2004, 49 RSA elections have been held to decide on whether to allow in new areas. Despite being supported 75% of the time by the areas to be annexed, the elections have failed 60% of the time.

| | Existing RSA | Annexation area | Election result |
|------|--------------|-----------------|-----------------|
| Fail | 22 | 12 | 29 |
| Pass | 27 | 37 | 20 |

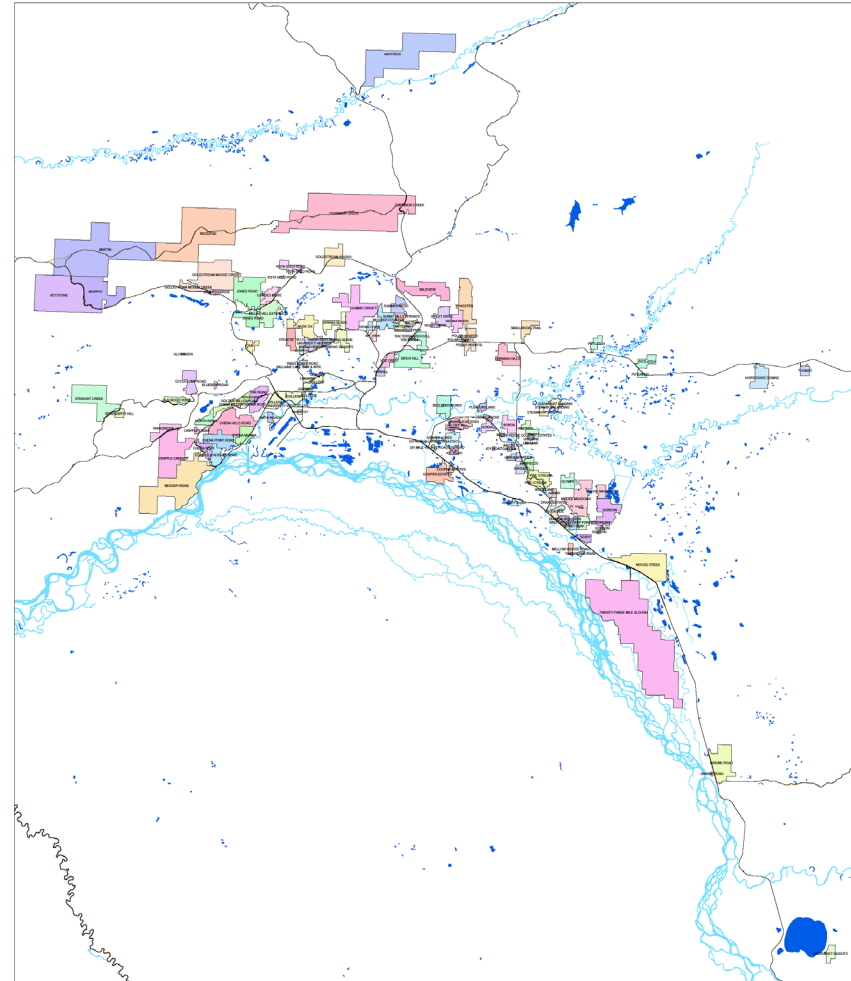


Result: A thorny, incomplete patchwork of road maintenance

- More areas want road service, but existing RSAs often won't let them in.
- Continuing to add RSAs piecemeal to fix the problem isn't a good solution – 103 is already a lot to administer.
- Elections to consolidate RSAs, given the number of entities involved, would be costly in labor and municipal funding.



All FNSB Road Service Areas



FNSB, Rural Services 2023

Benefits of the proposed law change

- Gets service to people who want to tax themselves to provide it but are currently struggling to join existing RSAs
- Doesn't affect existing RSAs, only those created on or after July 1, 2026 – so no impact on people's existing service
- Allows for local solutions without returning to the Legislature for Band-Aid fixes to RSA issues