

1 IF ADOPTED, THIS ORDINANCE MAY BE REPEALED BY THE VOTERS THROUGH
2 REFERENDUM.

3
4 By: Bonnie Williams
5 Referred to the
6 Economic Development
7 Commission: 03/10/05
8 Introduced: 06/02/05
9 Postponed to the Call
10 Of the Chair: 06/23/05
11 Substituted: 07/14/05
12 Amended: 07/14/05
13 Adopted: 07/14/05

14 FAIRBANKS NORTH STAR BOROUGH

15
16 ORDINANCE NO. 2005-26

17
18 AN ORDINANCE AMENDING THE FAIRBANKS NORTH STAR BOROUGH CODE OF
19 ORDINANCES RELATING TO THE CRITERIA FOR TAX EXEMPTION AND/OR
20 DEFERRALS FOR PURPOSES OF ECONOMIC DEVELOPMENT OR
21 DETERIORATED PROPERTY AND PROVIDING FOR WAIVER OF TIPPING FEES
22 FOR MATERIALS REMOVED FROM DETERIORATED PROPERTY
23

24 WHEREAS, at various times in the past the borough has granted tax
25 exemptions in order to assist and encourage economic growth; and
26

27 WHEREAS, the assembly has established no eligibility requirements to
28 guide it in granting tax exemptions and deferrals; and
29

30 WHEREAS, state law requires that municipalities establish specific
31 eligibility requirements to grant economic development and deteriorated property tax
32 exemptions or deferrals; and
33

34 WHEREAS, established eligibility requirements would allow for greater
35 flexibility in accomplishing the borough's economic development goals; and
36

37 WHEREAS, tax exemptions and deferrals may encourage the
38 improvement of certain deteriorated properties.
39

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

43 Section 1. Classification. This ordinance is of a general and permanent nature
44 and shall be codified.
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46

Section 2. Section 3.08.020 of the Fairbanks North Star Borough Code of Ordinances is amended by adding the following:

O. As permitted by 29.45.050(m), AS 29.45.050(o), and Chapters 3.10 and 3.11, economic development and deteriorated property.

Section 3. Title 3 of the Fairbanks North Star Borough Code of Ordinances is hereby amended by adding the following:

CRITERIA FOR REAL PROPERTY TAX EXEMPTIONS AND DEFERRALS

3.11.010 General criteria

In order for property to be considered for an economic development or deteriorated property tax exemption or deferral, an applicant must complete the application process described in Chapter 3.10.

3.11.020 Categories

The two categories of tax exemptions provided under this chapter are "economic development property" and "deteriorated property."

3.11.030 Economic Development Property – Specific Criteria

The assembly may grant a partial or total exemption and/or deferral for economic development property only if there is a clear and convincing demonstration that such exemption and/or deferral will provide direct economic benefit to the borough, and:

A. the property will be used by a trade, industry, or business that is not already developed within the borough and such use will:

1.a. directly generate sales outside of the borough of goods and/or services produced in the borough; or b. materially reduce the importation of goods and/or services from outside of the borough; and

2. directly create significant new employment in the borough;

B. the exemption and/or deferral is necessary to:

1.a. the long-term viability of the trade, industry, or business operation; or b. the economic feasibility of initiating a trade, industry, or business with the reasonable likelihood of long-term economic viability; and

2. promote or improve the economic development of the borough;

C. the exemption and/or deferral will provide measurable public benefits commensurate with the level of incentive granted;

92 D. the property owner is in compliance with all Alaskan municipal and state of
93 Alaska tax obligations; and

94 E. the location of the trade, industry, or business is compatible with land use
95 and development plans of the borough.

96
97 3.11.040 Limitations on economic development property tax exemptions and deferrals

98
99 Real property that has previously been taxed by the borough shall not qualify for
100 an economic development property tax exemption or deferral under this chapter.

101
102 3.11.050 Deteriorated Property – Specific Criteria

103
104 The assembly may grant a partial or total exemption and/or deferral for
105 deteriorated property only if there is a clear and convincing demonstration that such
106 exemption and/or deferral will provide direct economic benefit to the borough, and:

107 A. the exemption and/or deferral is necessary to
108 1. the economic feasibility of completing improvements on the
109 property; and

110 2. promote or improve the economic development of the borough;
111 B. the property is commercial property not used for residential purposes, or is
112 multi-unit residential property with at least eight residential units;

113 C. the property
114 1. within the last five years, has been the subject of an order by a
115 government agency requiring environmental remediation of the property or requiring the
116 property to be vacated, condemned or demolished by reason of noncompliance with
117 laws, ordinances, or regulations; or

118 a. is located in a deteriorating or deteriorated area with boundaries
119 that have been determined by the assembly after a public hearing;

120 b. the exemption and/or deferral will provide measurable public
121 benefits commensurate with the level of incentive granted;

122 D. the property owner is in compliance with all Alaskan municipal and state of
123 Alaska tax obligations; and

124 E. the improvements planned for the property are compatible with land use
125 and development plans of the borough.

126
127 3.11.060 Limitations on deteriorated property tax exemptions and deferrals

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129 Any tax exemption or deferral for deteriorated property shall not take effect until
130 January 1 of the year after:

131 A. the exemption or deferral has been approved by the Assembly; and

132 B. the planned improvements on the property have been substantially
133 completed or the property is beneficially occupied.

136 3.11.070 Definitions

137
138 "Deteriorating or deteriorated area" as used in this chapter means an area that is
139 characterized by:

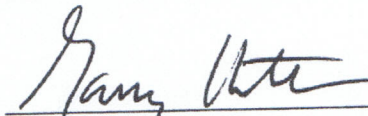
- 140 1. unsafe, unsanitary, vacant, or overcrowded building(s);
141 2. overgrown or unsightly vacant lots;
142 3. a significant percentage of tax delinquent properties; and/or
143 4. economically or socially undesirable land uses.

144
145 Section 4. Subsection 8.12.055.C. of the Fairbanks North Star Borough Code of
146 Ordinances is amended as follows:

147
148 The borough mayor may waive tipping fees for materials to the landfill for
149 borough recycling or hazardous waste disposal programs and for community cleanup
150 activities. The mayor may waive tipping fees for debris from private residences in the
151 borough damaged by fire if there is no reimbursement for such waived fees from any
152 other source. The mayor, when there is a direct and primary benefit to the public, may
153 waive tipping fees for materials removed from deteriorated property, as defined in
154 Section 3.11.070(D), during the course of rehabilitation, repair, construction,
155 reconstruction, renovation, demolition, removal or replacement of any structure on such
156 property.

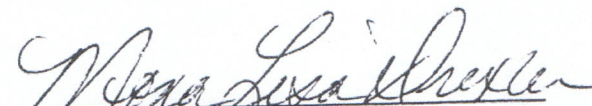
157
158 Section 5. Effective Date. This ordinance is effective at 5:00 p.m. on the first
159 Borough business day following its adoption.

160 PASSED AND APPROVED THIS 14TH DAY OF JULY 2005.

161


Garry Hutchison
Presiding Officer

ATTEST:



Mona Lisa Drexler, CMC
Municipal Borough Clerk

162
163 Ayes: Romans, Sattley, Rex, Hopkins, Aldridge, Frank, Hutchison
164 Noes: None
165 Excused: Williams, Bartos