



KENAI PENINSULA BOROUGH

PLANNING DEPARTMENT

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JOHN J. WILLIAMS
BOROUGH MAYOR

MEMORANDUM

TO: Grace Merkes, Assembly President
Kenai Peninsula Borough Assembly Members

THRU: John J. Williams, Borough Mayor *JJW*

FROM: *MB* Max J. Best, Planning Director

DATE: August 13, 2008

SUBJECT: Ordinance 2008-24 allowing for a late-filed habitat protection tax credit for properties exceeding the \$300,000 senior citizen exemption where construction was commenced in 2005, 2006, or 2007

The Planning Commission reviewed the subject ordinance during their regularly scheduled August 11, 2008 meeting. A motion to recommend adoption of the ordinance passed by unanimous consent.

Draft, unapproved minutes of the subject portion of the meeting are attached.

Routed From
Mayor's Office to:

Clerk *MB*
Assembly _____
Legal _____
Finance _____
Assessing _____
Planning *MB*
Roads _____
SBB _____
Purchasing _____
Other _____

Date: *8/13/08 MB*

AGENDA ITEM F. PUBLIC HEARINGS

- 5. Ordinance 2008-24 allowing for a late-filed habitat protection tax credit for properties exceeding the \$300,000 senior citizen exemption where construction was commenced in 2005, 2006, or 2007

Memorandum reviewed by Max Best

PC Meeting: August 11, 2008

At the regular election in 2007, the borough voters adopted a \$300,000 cap for the formerly unlimited senior citizen exemption. It is believed that approximately 64 properties have potentially qualifying projects for the river habitat tax credit authorized by AS 29.45.046 and KPB Chapter 5.14. The tax credit can be taken over a three-year period. Because the \$300,000 cap was not adopted until October 2007 and not effective until January 1, 2008, persons with formerly fully senior exempt properties would not have applied for the tax credit if they constructed in 2005, 2006, or 2007 even though they may have constructed projects which qualified for the exemption. This ordinance allows relief to those taxpayers who would otherwise qualify for the tax credit but for their fully exempt status prior to January 2, 2008. Depending on the year the project was completed, the taxpayer may qualify for the tax credit for one, two, or three years. The borough administration believes it is equitable to allow people who have constructed projects consistent with habitat protection the tax credit they would have otherwise received had they not been exempt from taxation at the time of construction. The Planning Commission's consideration of this ordinance is appreciated.

The Tax Credit program helps senior citizens who have out of pocket expenses for improvements within 150 feet of a habitat protection stream. A senior citizen can get up to 50% reduction on the land value of the property whichever is less for a 3 consecutive year period. It gives the senior citizens that had exempt status beyond \$300,000 the ability to get anything over the \$300,000 applied to their tax credits.

There are 64 properties that need to be evaluated.

END OF MEMORANDUM

Chairman Bryson opened the meeting for public comment. Seeing and hearing no one wishing to speak, Chairman Bryson closed the public comment period and opened discussion among the Commission.

MOTION: Commissioner Gross moved, seconded by Commissioner Isham to recommend enactment of KPB Ordinance 2008-24; allowing for a late-filed habitat protection tax credit for properties exceeding the \$300,000 senior citizen exemption where construction was commenced in 2005, 2006, or 2007

Chairman Bryson asked if staff knew how many of the 64 properties would qualify for the tax credit. Mr. Best was not sure at this time but felt it would be substantially less.

VOTE: The motion passed by unanimous consent.

BRYSON YES	CARLUCCIO YES	COLLINS YES	FOSTER YES	GROSS YES	ISHAM YES	JOHNSON YES
LOCKWOOD ABSENT	MARTIN YES	MCCLURE YES	MURPHY YES	PETERSEN YES	TAURIAINEN YES	12 YES 1 ABSENT

AGENDA ITEM F. PUBLIC HEARINGS

- 6. Ordinance 2008-25, authorizing the negotiated sale at fair market value of approximately 2,010 square feet of Tract A Moose Pass School Site according to Plat No. 74-483 to Vern Kingsford

Memorandum reviewed by Marcus Mueller

PC Meeting: August 11, 2008

The Kenai Peninsula Borough School District discovered an encroachment on the Moose Pass School Site. As detailed in the included as-built, the encroachment consists of a covered deck, plastic storage sheds, fuel tank, wood box, a 9-foot shed encroachment, a 7.6-foot encroachment, a 4.9-foot cabin encroachment, and a 3.1-foot cabin encroachment. Vern Kingsford operates a business and utilizes the encroaching structures as part of that business. There is also a driveway accessing Trail Lake, which Kingsford uses for his business on the