

Memo



To: Haines Borough Planning Commission
From: Jila Stuart, Chief Financial Officer
Tracy Cui, Planning & Zoning Tech
Cc: Julie Cozzi, Interim Borough Manager
Date: November 14, 2013
Re: Short Plat Application for Parcel #C-207-TL-0620

Haines Borough Code clearly prioritizes the extension of public utilities. HBC 18.100.092(A) requires a developer to extend water and sewer utilities to each lot unless (1) no water and sewer service is available within 200 feet of any exterior property line of the new subdivision **and** (2) all lots are one acre or larger. Per a November 14 memo from the Borough attorney, the code does not give discretion to staff or to the Planning Commission to authorize an exemption to the requirement.

Where to go from here

Ms. St. Clair's appeal raises a larger question that is important for the Borough to address. ***What is the Borough's plan for future utility extensions and what should the Borough's role be in coordinating or facilitating those extensions?*** We believe the Borough should follow one of two courses and that the Planning Commission should take a leadership role in either case:

- The Assembly should work with the Planning Commission and staff to amend code to create additional exemptions to the utility requirements for subdivisions; or
- The Assembly should work with the Planning Commission and staff to identify ways to promote and assist with the extension of the utilities.

What the Comprehensive Plan Says

Section 7.4.3 Residential Development reads: "Because most land in these areas is privately owned the Borough must determine what role it will play to encourage utility extension and thus meet future residential needs in an efficient manner through infill development. For example, to encourage and support reasoned utility extension the Borough could pay for engineering studies to design the system and ensure it will meet Borough standards and then accurately identify Local Improvement District (LID) costs."

Goal 11 in the Comprehensive Plan reads: "Promote compact development and infill where water and sewer infrastructure exists in order to maximize return on public infrastructure investments, promote energy efficiency, and reduce carbon emissions."

Objective 11A in the Comprehensive Plan reads: "Base decisions about utility extension on Borough costs, whether policy changes could instead result in infill, if willing Local Improvement District payers are present, and on landowner interests."

Possible Financial Assistance for Promoting Utility Extension

While it may not be appropriate to use public funds to pay for all or most of the cost of extending utility mains, the Assembly may decide the public interest is served by offsetting part of the cost of utility extensions through one or more of the following methods:

Use of Proceeds from the sale of Borough lands

HBC 3.90.010(A) states “borough funds from the sale of borough lands may be invested through the creation of local improvement districts to fund projects that will improve the lives of borough residents. Such projects may include, but are not limited to, utilities, road construction, road upgrades, alternative energy, and any other improvements undertaken under the authority granted by AS 29.35...”

Use of Capital Improvement Project Sales Tax Funds

The Borough levies 1.5% sales tax to be used for Capital Improvement Projects within the Borough.

Installment payments – Local Improvement District

If a local improvement district is established the Borough can finance the cost of improvements, including utility extension, over years with terms set by the Borough Assembly.

What other communities are doing to promote utility extensions

- Juneau, AK – uses various sources of funding to subsidize the expansion of utilities including sales tax and cruise ship tax
- Unalaska, AK – property owners may extend a service line from the main to their property line in order to connect provided they connect to the main at such time the main is extended
- Cookeville, TN – the municipality pays for the first 100ft of a utility extension
- Jacksonville, FL – the city will contribute 30% of the capital cost of utility extension
- Gatlinburg, TN – the owner must pay the full cost of extension and neighbors who later hook up to the main must pay a “tap fee” to the property owner who paid to extend the main

Options for Ms. St. Clair

- Move proposed lot line closer to water/sewer main (minimum lot size is one acre)
- Participate in LID with her neighbors

Possible LID for Utility Extension in North Sawmill Road / Moose Lane Area

Staff has had some discussions with property owners in the vicinity of Ms. St. Clair’s parcel who have said they may be interested in participating in a LID to extend water and sewer mains in this area. The installation of public utilities in this area where none currently exist will be a benefit with many additional facets. It will eliminate drainage problems, provide water for fire protection, and bring economic growth.