

Postponed Indefinitely
3/18/08

Submitted by: Assembly Member Tesche
For reading: August 28, 2007

Anchorage, Alaska
AR 2007-195

1 A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE GRANTING KAPP,
2 LLC A TEN-YEAR REAL PROPERTY TAX EXEMPTION AND A CONSECUTIVE
3 FIVE-YEAR TAX DEFERRAL FOR REDEVELOPMENT OF CERTAIN
4 DETERIORATED REAL PROPERTY SUBJECT TO CERTAIN CONDITIONS
5 PRECEDENT.

6
7 WHEREAS, AS 29.45.050(o) and AMC 12.35.005 to 12.35.070 allow the
8 Assembly to grant consecutive, ten-year property tax exemptions and five year property
9 tax deferrals for areas designated as deteriorated; and

10
11 WHEREAS, enactment of AO 1999-84(S) designated the real property described
12 on the attached Exhibit A as a Deteriorated Area and incorporated by reference. The
13 property includes the old Knik Arm Power Plant ("Power Plant") and the underlying land
14 and related property, leased from the Alaska Railroad Corporation under Alaska Rail
15 Road Contract No. 1598 and Assignment of Lease Contract No. 7654; and

16
17 WHEREAS, by an application dated February 5, 2007, attached as Exhibit B, and
18 incorporated by reference KAPP, LLC applied for a consecutive ten-year exemption and
19 five-year deferral from real property taxes for the Power Plant and all improvements to
20 the real property described on Exhibit C, which is incorporated by reference, that
21 application was submitted; and

22
23 WHEREAS, KAPP, LLC owns the Power Plant and holds the Ground Lease for
24 the underlying land and related property pursuant to Alaska Rail Road Contract No. 1598
25 and Assignment of Lease Contract No. 7654, which property is more particularly
26 described on the attached Exhibit C; and

27
28 WHEREAS, KAPP, LLC has stated his intention to renovate the real property
29 described in Exhibit C and the Power Plant in the manner described on the Application;

30
31 WHEREAS, based on the original application as supplemented by the applicant,
32 the representations of the applicant and his consultants; the Assembly having reviewed
33 the recommendation(s) and analysis of the Chief Fiscal Officer; and the Assembly having
34 conducted a public hearing on this resolution, the Assembly finds that.

35
36 NOW, THEREFORE, THE ANCHORAGE ASSEMBLY RESOLVES:

37
38 **Section 1.** The Municipality hereby grants to KAPP, LLC a ten-year
39 exemption from property taxes, except for an amount determined by the mill rate to be
40 established for each year of the exemption and multiplied by the 2007 assessed value,
41 followed by a five-year deferral of all property taxes, beginning upon expiration of the
42 exemption of real property taxes for all real property described in the attached Exhibit C,
43 subject to the following conditions precedent to the effectiveness of the exemption and
44 deferral:
45

- The project, as completed, shall substantially conform to that described on that described on the attached Exhibit D,
- At all times the project will comply with State and Federal environmental laws, and comply with planning and zoning requirements.
- The electric power production components of the power plant shall be fired only by natural gas.
- That the project will be developed as a combined heat and power plant "CHP" and will endeavor to employ every fuel stewardship opportunity "CHP" can provide.
- A power purchase agreement (PPA) with Chugach Electric shall be negotiated and executed on or before July 1, 2008.
- The renovation and rehabilitation of the power plant, as described in the application and supplements thereto, shall be substantially complete by no later than December 31, 2011.
- That condenser cooling water, or otherwise waste heat, will be made available to local and state government for only the cost of pumping the warm water so that the heat can be used for the benefit of the state fish hatchery and for other useful purposes such as heating walkways, public transportation waiting areas, snow melting platforms and greenhouses.

Section 2. This resolution shall take effect immediately upon approval by the Anchorage Municipal Assembly.

PASSED AND APPROVED by the Anchorage Assembly this ____ day of _____, 2007.

Chair

ATTEST:

Municipal Clerk

Municipality of Anchorage
MUNICIPAL CLERK'S OFFICE
Agenda Document Control Sheet

AR 2007-195

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

1	SUBJECT OF AGENDA DOCUMENT		DATE PREPARED	
	Kapp, LLC - 10 yr. real ppty exemption		8/22/07	
			Indicate Documents Attached <input type="checkbox"/> AO <input checked="" type="checkbox"/> AR <input type="checkbox"/> AM <input type="checkbox"/> AIM	
2	DEPARTMENT NAME		DIRECTOR'S NAME	
	Assembly		Dan Coffey, Assembly Chair	
3	THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY		HIS/HER PHONE NUMBER	
	Allan Tesche, Assembly Member		276-3284	
4	COORDINATED WITH AND REVIEWED BY	INITIALS	DATE	
	Mayor			
	Municipal Clerk			
	Municipal Attorney			
	Employee Relations			
	Municipal Manager			
	Anchorage Parks & Recreation			
	Fire			
	Health & Human Services			
	Merrill Field Airport			
	Municipal Light & Power			
	Office of Management and Budget			
	Police			
	Port of Anchorage			
	Office of Economic & Community Development			
	Solid Waste Services			
	Public Transportation			
	Anchorage Water & Wastewater Utility			
	Executive Manager			
	Planning Department			
	Chief Fiscal Officer			
	Heritage Land Bank			
	Information Technology Department			
	Project Management & Engineering			
	Purchasing			
	Other			
5	Special Instructions/Comments			
	Addendum - Consent Agenda-Introduction			
6	ASSEMBLY HEARING DATE REQUESTED		PUBLIC HEARING DATE REQUESTED	
	8/28/07		9/25/07	

M.O.A.
 2007 AUG 22 PM 4:24
 CLERK'S OFFICE