



February 21, 2019

KPB Material Site Working Group  
Kenai Peninsula Borough  
Planning Commission, Planning Department,  
Clerks Office  
144 North Binkley Street, Soldotna, Alaska

Dear KPB Material Site Working Group:

I would like to take this opportunity to introduce our Alaska based organization, Alaska Rock Products Association. AKRPA has existed for more than 10 years as a cooperative group of aggregate resource development companies and individuals. We are working together to:

- Define industry best practices for aggregate product development
- Unified Community engagement, communications and public outreach
- Development of reasonable regulations, that provide safety for workers and the public

First, thank you for your public service and time serving on this committee. We acknowledge that these discussions raise many personal feelings driven by person experience, both positive and negative. We appreciate your patience to hold these discussions and hear the community's concerns. We also look forward to the opportunity for industry and local businesses to give an honest assessment of the future results based on actual experience and potential unintended impacts.

Our organization and partners have built Alaska, and we have a vested interest in our local communities. Despite Alaska's boom and bust economy, we have enjoyed economic development and community investment that has blossomed into the construction of meaningful community infrastructure and facilities. Our group respects and appreciates these facilities and the neighboring communities that develop around them. As contractors and developers, we also know the quality resources and skilled trade professionals required to build and maintain those facilities and infrastructure. Our members are some of the most active and generous people in your community as sponsors, coaches, community leaders, volunteers and mentors for our future generations.

As AKRPA's Director, I have participated in many of the first meetings and have been following the progress of your group through our partners in the community that are land owners or resource developers. We understand a community's natural growth, development and regulations to protect the community and its workforce. We are not without regulatory oversight as some have indicated. We are governed by layers of regulations starting at the federal level, driven by environmental protect, workforce safety and all the way to local codes and regulations. It is however, difficult to have one size fits all regulations in a region such as the Kenai Peninsula Borough or the Mat-Su Borough, or long years ago the Anchorage Borough. We see these discussions as a natural evolution in a community development which deserve meaningful public discussion and consideration. We believe in a balanced approach to regulations that allow for development, while protecting the public interest, and an



opportunity where everyone understands the real impacts of regulations and requirements based on facts and real experience not projections and feelings.

We have monitored communications of your working group and witness bias in discussion in your group for local operators and businesses. While we appreciate the local discussion, the industry your discussing is heavily regulated at the federal and state level. Our members and their staff also live in the local Kenai Peninsula, but have holdings and projects state wide and beyond. Our members history, experience and safety record are second to none. Our group is made up of large and small operators that come together to understand the broad impacts of specific regulations that affect everyone differently including the regulating government themselves.

We and the resource development community request that the borough hold a "industry forum / technical workshop" to discuss proposed regulation changes, property features such as setbacks, noise abatement or other concerns. We encourage and welcome a format where in a professional manner an actual dialog with industry operators takes place that is more than sound bites of limited testimony back and forth.

Thank you for your time and consideration, respectfully,

A handwritten signature in blue ink, appearing to read "Steve Colligan", with a long horizontal flourish extending to the right.

Steve Colligan, Director

Alaska Rock Products Association  
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Anchorage, AK 99515  
(907)230-3422 cell  
Email: Director@AKRPA.org

To whom it may concern,

We, the undersigned, as an organized industry, state as follows...We ask the Kenai Peninsula Borough to cease and desist immediately any further action regarding the advisory, creation, or implementation of any modification to the current borough regulations for material sites and/or extraction of soils or aggregate. We feel that the material site working group was not created, at its inception, fairly to our industry. We, as an industry, should have at least a 50% interest of the seats comprising this board. We also feel that the rewriting of the borough regulations regarding material sites should be a give and take so to not further stress our industry and the public economy. The implementation of 49 new or further restricted regulations is not acceptable and we feel our industry cannot bear the burden. Also, as an industry, we feel the language written in the proposed regulations is arbitrary, capricious, and without forethought of equal protection and just compensation. We ask the Kenai Peninsula Borough restructure this working group immediately and negotiate with us, the undersigned, as an industry. Failure to negotiate with our industry and adopting many of these proposals will likely result in drastic increases in the price of gravel for the Kenai Peninsula Borough and all of its citizens or litigation.

K.E.E Construction llc

Larry Smith

Tom Clark

Emmitt Trimble

Dwight and Diann Glanville dba Dwight's Construction

Terry Best

Steve Foster

Jack Foster

CIC Inc.

Davis Block

Robert Peterkin  
Dan Michel  
Marc Roderick  
Kent Bangerter  
Metco  
Robbie Davidson  
Jim Decker  
Joe Ross  
Dwight Ross  
Lou Oliva  
Dave Yragui  
Chumley's  
Mike Brown  
East Road services  
Mike Arno  
Josh Updike  
Martin Oberg  
Matt Letzring  
Jake Denbrock  
Glen Fowler  
Lee Wiley  
Don and Sam Brown  
John Stubblefeild  
Glen Martin  
Tony Pearse  
Paul Page  
Walt Blauvelt  
Chad Hammond

## **When is a Gravel Mine Really in the Best Interests of the Borough and Neighboring Properties???**

The KPB assessed valuation for **land only** on 45 Properties (59.17 acres) surrounding the Beachcomber property (proposed gravel mine) near Danver Street in Anchor Point is \$1,738,000, which works out to an average value of **\$29,373 per acre**. Some of this land is unimproved—raw land, and much is residential. The 41.72 acres of Beachcomber land—with ocean frontage—is assessed at \$301,400 which means an average value as per KPB assessment of just **\$7,224 per acre!**

**Neighbors are assessed at an average of \$29,373 per acre for 45 of their properties versus \$7,224 per acre for the land that they all live next to!**

The KPB assessed value (**including improvements**) for our 45 properties is \$7,813,200 and the total assessed value for Beachcomber is \$305,700. If this mine becomes a reality, appraisers have told neighbors we can expect our property values to drop by 30% to 40%. Using the low (30%) number, KPB should expect a drop in assessed valuation of \$2,343,960 for the 45 neighbors, not to mention what we all lose when its time to move on! The Beachcomber mine will remain forever as raw land which is taxed at the lowest level, in this case \$7,224 per acre.

Benefit to the borough if this mine is permitted is a **potential loss of \$2,343,960** in taxable property value, **plus** what the Beachcomber property might have generated over time if it were properly developed.

For example: The site is just under 42 acres of prime, desirable real estate in the heart of the Anchor River State Recreation Area.. Using the average KPB assessed value from the rest of the neighborhood at \$29,373 per acre, the land should be assessed today at **\$1,233,666** (not \$301,400 as it is). If it was divided into four high dollar ocean front lots and the remaining 27 acres into nine three acre lots, with improvements to the land (**houses etc.**) which could conservatively be \$250,000 per lot, that equates to another \$3,250,000. Potential assessed value for Beachcomber land and improvements is \$4,483,666.

**Potential loss in KPB assessed value in the neighborhood is conservatively \$6,521,926 if this mine is permitted. And the Benefit is???????? Maybe the Borough should add this number to the assessed value of the mine....**