

May 10, 2021

Assembly Members and Mayor:

This letter is in rebuttal to Finance Director Jody Tow's comments during the May 3rd assembly meeting and the May 6th editorial by Ron Loesch regarding Ordinance 2021-08 which seeks to remove Frederick Point East (FPE) from Service Area 1 because Service Area 1 mill rates do not accurately reflect the actual borough on-site services provided to FPE. The Service Area 1 on-site services, such as road maintenance, police protection, trash service, etc, are not provided to FPE.

Ms. Tow's and Mr. Loesch's opposition rested on the statement that "Property values for properties are *already* lower for FPE than FPN". This hinted at questioning the accuracy of the assessment of land values by the Borough Assessor which are legally bound by the borough charter and state statutes to be assessed according to full and true value (current market values from sales figures). The assessor does not set artificially low valuations or use the level of services provided as an indicator for valuation. Any concerns on valuation need to be addressed to the Assessor.

For FPE, the assessor's valuation and the non-existence of on-site borough services hinge on one important factor: Accessibility to the Subdivision. (See attached map) FPE is remote. FPE does not connect to a road system, like FPN. At points, Forest Service Road #6204 comes within one mile of FPE, but it is not snowplowed. Road #6204 is not a borough service road, but is maintained by the Forest Service. In winter, access to FPE is by boat only and is dependent on weather and sea conditions. Only 9 lots have dwellings out of 52 lots. Don and Jenny Cummins are the only full time FPE residents, whereas FPN has many families. Primary use for FPE is remote, seasonal recreation; most lots sit unused.

Borough Charter 14.04 establishes that the need of services by property owners and the economically feasible cost to provide the services by the borough are requirements for a service area. FPE owners do not need nor want on-site services and providing services is cost prohibitive for the borough. The first step to provide Service Area 1 services to FPE would be for the borough to obtain F.S. Road #6204 from the federal government, pay millions of dollars to upgrade ten miles of road and also put in an access road to FPE. Then a Local Improvement District could be created for roads and services inside the subdivision. Then the borough could take on the responsibility of the borough service road system by maintaining the roads and snowplowing in the winter. However, the borough has no intention in the foreseeable future to plan for these expensive improvements and maintenance activities. Clearly, the criteria has not been met to include FPE in any borough service area. If state lands are obtained that are remote and services are not provided, they should not be included in a service area either.

Ms. Tow stated the loss of borough revenue by removing FPE from Service Area 1 would be \$10,000. a year. This is not a significant amount, but continuing to charge for any service that is not provided is illegitimate. It is the mill rate of Service Area 1 that reflects the on-site services provided.

The third and final reading of Ordinance 2021-08 will be on Monday, May 17 at 6 p.m. A "Yes" vote by an assembly member will give Petersburg Service Area 1 voters the opportunity to vote on the issue in October. A "No" vote by an assembly member will indicate that there is no concern regarding fair and equitable taxation for FPE property owners.

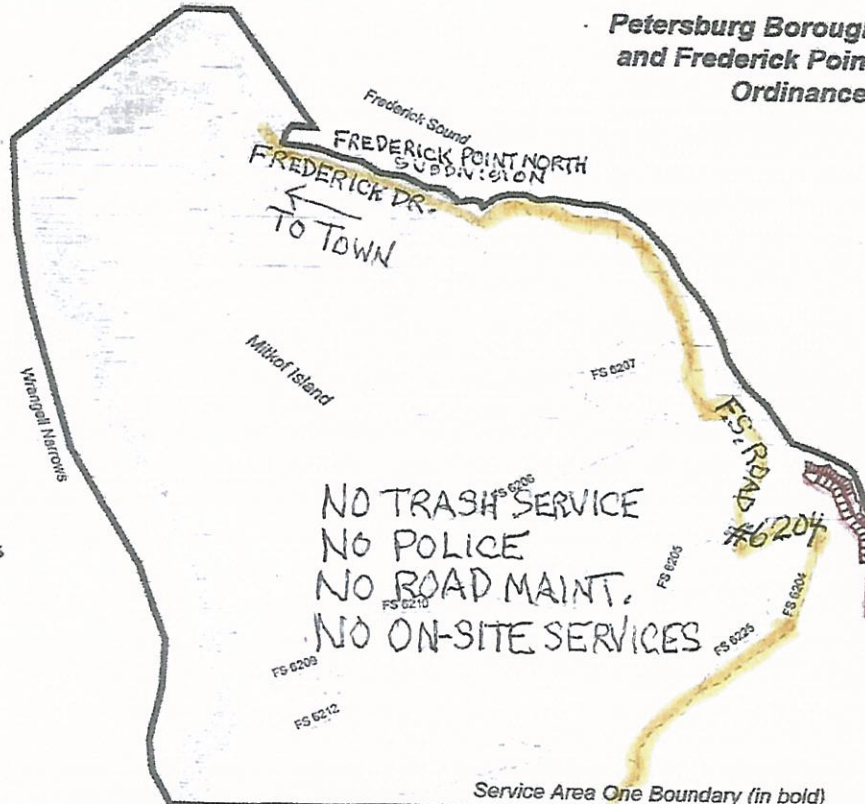
GIVE FPE FAIR TAXES!

Kandi Woodworth, FPE Property Owner

**Petersburg Borough Service Area One
and Frederick Point East Subdivision
Ordinance #2021-08**

4/2021

Kupreanof



Whegepell Narrows
Lindenberg Peninsula

Frederick Sound
FREDERICK POINT NORTH
SUBDIVISION
FREDERICK DR.
← TO TOWN

Mikof Island

NO TRASH SERVICE
NO POLICE
NO ROAD MAINT.
NO ON-SITE SERVICES

FS 6207
FS 6205
FS 6204
FS 6203
FS 6202
FS 6209
FS 6210
FS 6212

Frederick Point East
Subdivision (in red)
NO ACCESS ROAD
TO SUBDIVISION

Service Area One Boundary (in bold)

132° 56' 37" W
56° 42' 25" N

132° 43' 21" W
56° 42' 25" N

FS 6220