

Introduced by: Councilmember Sprinkle\*  
Councilmember Ringstad\*  
Councilmember Therrien  
Introduced: June 24, 2024  
\*indicates original sponsor

## ORDINANCE NO. 6285, AS AMENDED

**AN ORDINANCE AMENDING FAIRBANKS GENERAL CODE SECTION  
74-36 ECONOMIC DEVELOPMENT PROPERTY TAX  
~~REBATE EXEMPTION OR DEFERRAL~~ AND ENACTING SECTION 74-37  
TAX INCENTIVE FOR PROPERTY DEVELOPMENT, REDEVELOPMENT,  
OR RENOVATION CREATING A PROPERTY TAX REBATE PROGRAM  
TO ENCOURAGE REVITALIZATION AND ECONOMIC DEVELOPMENT**

**WHEREAS**, the City of Fairbanks has economic development authorities powers, broadly defined at AS 29.71.800(9); and

~~**WHEREAS**, residential and commercial development drives local economic revitalization; and~~

**WHEREAS**, State law at AS 29.45.050(m) authorizes a municipality to offer a tax rebate exemption or deferral for certain economic development property; and

~~**WHEREAS**, temporary relief from property taxes can be an effective incentive for new construction; and~~

**WHEREAS**, Ordinance 5475, adopted by the Fairbanks City Council in April 2002, recognized that temporary relief from property taxes can be an effective incentive for economic development; and

**WHEREAS**, the Fairbanks area has experienced a housing shortage, impacting the ability of residents to find affordable, efficient housing in the community; and

~~**WHEREAS**, vacant, abandoned, and/or undeveloped lots properties are of little economic value; and often negatively affect proximate property values; and can be a source of blight; and~~

**WHEREAS**, new, quality residential and commercial construction significantly contributes to the economy and often positively affects proximate property values; ~~and usually improves local aesthetics; and~~

**WHEREAS**, it is the desire of the Fairbanks City Council seeks to encourage residential and commercial development leading to broad-based community economic development; and

~~**WHEREAS**, the Fairbanks City Council has the authority to reimburse citizens for freeze the City property taxes to encourage development.~~

WHEREAS, if adopted, this ordinance can be repealed through voter referendum as provided for in Article XII of the Charter of the City of Fairbanks.

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:

**SECTION 1:** ~~FGC Sec. 74-36, Economic development property tax~~ ~~rebate~~~~exemption or deferral, is hereby amended as follows~~ [new text in **bold/underline** font; deleted text in strikethrough font; previous version's new text that has not been adopted in this substitute will appear as **bold/underline and in strikethrough**; previous version's deleted text that remains deleted in this proposed substitute appears in ~~double strikethrough~~ font]:

**Sec. 74-36. - Economic development property tax** ~~rebate~~~~exemption or deferral.~~

(a) ~~The council may grant a partial or total~~ **rebate**~~exemption and/or deferral for economic development property only if the granting of such~~ **rebate**~~exemption and/or deferral will provide economic benefit to the city, and~~

(1) ~~The~~ **rebate**~~exemption and/or deferral will provide measurable public benefits commensurate with the level of incentive granted;~~

(2) ~~The property owner is in compliance with all state and local tax obligations;~~

(3) ~~The location of the trade, industry, or business is compatible with~~ **zoning requirements** ~~land use and development plans of the borough; and~~

(4) ~~The~~ **rebate**~~exemption and/or deferral is necessary to allow adequate time for improvements to be completed and revenue to be generated by the property.~~

(b) ~~Economic development property means real property that:~~

(1) ~~Has not previously been taxed as real or personal property by the city; however, improvements on properties may be partially or wholly tax exempted or deferred under this section.~~

(2) ~~Is used in trade or city business in a way that:~~

a. ~~creates employment in the city directly related to the use of the property that does not supplant jobs in another similar industry; or~~

b. ~~generates sales outside of the city of goods or services produced in the city; or~~

c. ~~materially reduces the importation of goods or services from outside the city.~~

~~(3) Enables a significant capital investment in physical infrastructure that:~~

~~a. expands the tax base of the City; and~~

~~b. will generate property tax after the rebate exemption/deferment expires.~~

~~(34) Has not been used in the same trade or business in another city for at least six months before the application for a rebated deferral or exemption is filed; this limitation does not apply if the property was used in the same trade or business in an area that has been annexed to the city within six months before the application for a rebated deferral or exemption is filed; this subsection does not apply to inventories.~~

~~(c) An ordinance by the Fairbanks City Council must precede any action to authorize a tax rebate exemption or deferral under this section.~~

**SECTION 2.** FGC Chapter 74, Article II, Property Tax, is amended to add new Section 74-37, Tax incentive for property development, redevelopment, or renovation, as follows:

**Sec. 74-37. - Tax incentive for property development, redevelopment, or renovation.**

(a) **A new property tax rebate program to encourage economic development is hereby created.** As permitted by state law, a property tax rebate exemption may be approved for the development, redevelopment, or renovation of a property within city limits that results in an increased property tax assessment.

(b) The A property owner ~~assessed value attributable to the new development, redevelopment, or renovation of a property~~ may be granted a reimbursement **rebate** of taxes for the assessed value attributable to the new development, redevelopment, or renovation of a property for a maximum of five years based on the total construction costs confirmed on the permit(s) from the Building Department as follows:

(1) Construction costs totaling \$1,000,000 or more may receive a rebate for five years ~~five-year exemption~~.

(2) **Construction costs totaling between \$750,000 to \$999,999 may receive a rebate for four years.**

(3) **Construction costs totaling between \$500,000 to \$749,999 may receive a rebate for three years.**

(4) **Construction costs totaling between \$250,000 \$50,000 to \$499,999**




~~\$999,999~~ may receive a rebate for two years ~~two-year exemption~~.

- (5) **Construction costs totaling between \$50,000 to \$249,999 may receive a rebate for one year.**
- (6) Construction costs totaling less than \$50,000 are not eligible for a tax rebate ~~exemption~~ under this program.
- (c) The property owner must apply for the tax **rebate** reimbursement through the Building Department during the permitting process. Property owners with projects requiring multiple permits will add construction costs from each permit to determine total construction costs.
- (d) ~~The mayor or mayor's designee may approve or deny the application.~~ **Approval of the application cannot occur prior to the final inspection from the Building Department.** Following the final inspection, the property owner and Building Department will confirm the total construction costs for the application. The Building Official will recommend approval or denial of the application based on total construction costs and resulting property improvements to the Mayor or mayor's designee. **Based on total construction costs and resulting property improvements, the Building Official will recommend approval or denial of the application to the mayor or mayor's designee.** Approval of the application cannot occur prior to the final inspection from the Building Department. **The mayor or mayor's designee may approve or deny the application.** Property owners may appeal any decision made by the mayor or mayor's designee to the City Council.
- (e) The **property tax** rebate **provided under this program** is not transferable with the sale of the property.

**SECTION 2. Property owners using the tax rebate program to develop residential units may have fees associated with residential, mechanical, plumbing, and electrical building permits waived. The mayor or mayor's designee may approve or deny the waiver of fees.**

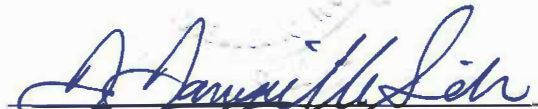
**SECTION 3.** The effective date of this ordinance is five **six** days after adoption.

**SECTION 4.** The rebate program will sunset on December 31, 2025 **2027**, unless extended by City Council resolution.

  
\_\_\_\_\_  
David Pruhs, Mayor

AYES: Sprinkle, Therrien, Marney, Ringstad, Tidwell  
NAYS: Cleworth  
ABSENT: None  
ADOPTED: June 9, 2025

ATTEST:

  
D. Danyelle Snider, MMC, City Clerk

APPROVED AS TO FORM:

  
Thomas A. Chard II, City Attorney

**CITY OF FAIRBANKS**  
**FISCAL NOTE**

**I. REQUEST:**

Ordinance or Resolution No: 6285

Abbreviated Title: ECONOMIC DEVELOPMENT PROPERTY TAX REBATE PROGRAM

Department(s): \_\_\_\_\_

Does the adoption of this ordinance or resolution authorize:

1) additional costs beyond the current adopted budget? Yes \_\_\_\_\_ No x

2) additional support or maintenance costs? Yes \_\_\_\_\_ No x

If yes, what is the estimate? see below

3) additional positions beyond the current adopted budget? Yes \_\_\_\_\_ No x

If yes, how many positions? \_\_\_\_\_

If yes, type of positions? \_\_\_\_\_ (F - Full Time, P - Part Time, T - Temporary)

**II. FINANCIAL DETAIL:**

PROJECTS:	TOTAL
<b>TOTAL</b>	<b>\$ -</b>

FUNDING SOURCE:	TOTAL
<b>TOTAL</b>	<b>\$ -</b>

Based on the current mill levy of 5.914, the rebate for a project with an assessed property valuation of \$50,000 is \$295.70 for a one-year total of \$295.70; an assessed property valuation of \$250,000 is \$1,478.50 for a two-year total of \$2,957.00; an assessed property valuation of \$500,000 is \$2,957.00 for a three-year total of \$8,871.00; an assessed property valuation of \$750,000 is \$4,435.50 for a four-year total of \$17,742.00; and \$1,000,000 is \$5,914.00 for a five-year total of \$29,570.00. In addition, the City may have reductions in building permit fees.

Reviewed by Finance Department: Initial mb Date 5/22/2025