

MUNICIPALITY OF ANCHORAGE

ANCHORAGE ASSEMBLY

Minutes for Special Meeting of November 20, 2001

1. CALL TO ORDER:

The meeting was convened at 4:00 p.m. by Assembly Chairman Dick Traini in the Assembly Chambers, 3600 Denali, Anchorage, Alaska.

2. ROLL CALL:

Present: Dan Sullivan, Fay Von Gemmingen, Melinda Taylor (4:05 p.m.), Doug Van Etten, Dick Traini, Anna Fairclough, Dan Kendall, Allan Tesche, Janice Shamberg (4:15 p.m.), Dick Tremaine, Cheryl Clementson (4:17 p.m.).

Absent: None.

3. OLD BUSINESS AND UNFINISHED ACTION ON PUBLIC HEARING ITEMS.

The Assembly took up item 3.C., AO 2001-172, first.

A. Ordinance No. AO 2001-138, an ordinance of the Municipality of Anchorage authorizing the **purchase of Crossroads Business Park, Tracts 5A and 5B**, Anchorage, Assemblymembers Sullivan and Von Gemmingen.
(CARRIED OVER FROM 7-24-01; CONTINUED FROM 8-14-01 AND 8-28-01; CARRIED OVER FROM 9-11-01; CONTINUED FROM 9-25-01; POSTPONED FROM 11-13-01)

B. Ordinance No. AO 2001-168, an ordinance authorizing the **acquisition and exchange, leaseback or other disposal of municipal land on or near the southeast corner of Northwood and International Airport Roads** and the Bering Street Vehicle Maintenance Facility northeast of the Tudor Road and Arctic Boulevard intersection, Heritage Land Bank.

1. Assembly Memorandum No. AM 816-2001.

2. Assembly Memorandum No. AM 913-2001, AO 2001-168: an ordinance of the Municipality authorizing the acquisition and exchange, leaseback or other disposal of municipal land on or near the southeast corner of Northwood and International Airport Roads and the Bering Street Vehicle Maintenance Facility northeast of the Tudor Road and Arctic Boulevard intersection, Heritage Land Bank.

(CONTINUED FROM 10-23-01; POSTPONED FROM 11-13-01)

Clerk's Note: Item 3.A., AO 2001-138, was considered later in the meeting; see After AO 2001-168. Item 3.B., AO 2001-168, was considered later in the meeting; see after AO 2001-173.

C. Ordinance No. AO 2001-172, an ordinance approving the rezoning of 12.79 acres from R-O SL (Residential-Office) Zoning District with Special Limitations and I-1 (Light Industrial) Zoning District to R-4 SL (Multiple-Family Residential) Zoning District with Special Limitations for **Tracts 5A and 5B, Crossroads Business Park Subdivision**, generally located east of Northwood Street and north of International Airport Road (Spenard Community Council) (Planning and Zoning Commission Case 2001-166), Planning Department.

1. Assembly Memorandum No. AM 845-2001.

2. Ordinance No. AO 2001-172(S), an ordinance approving the rezoning of 12.79 acres from R-O SL (Residential-Office) Zoning District with Special Limitations and I-1 (Light Industrial) Zoning District to R-4 SL (Multiple-Family Residential) Zoning District with Special Limitations for Tracts 5A and 5B, Crossroads Business Park Subdivision, generally located east of Northwood Street and north of International Airport Road (Spenard Community Council) (Planning and Zoning Commission Case 2001-166), Assemblymember Sullivan.
(CONTINUED FROM 10-30-01; POSTPONED FROM 11-13-01)

Mr. Sullivan moved, to adopt AO 2001-172 (S).
seconded by Ms. Von Gemmingen,

Mr. Tremaine said he was still looking for one good reason to allow the rezone.

Ms. Von Gemmingen said one reason for the rezone would be to allow the area to have neighbors they were comfortable with. They would feel more at ease with the Montessori School and the other improvements than a parking lot with blaring lights and traffic. The neighbor's concerns were very real and neighbor-oriented as expressed at the neighborhood meetings. She urged a yes vote.

Mr. Sullivan pointed out that they had invested a significant amount of money in public infrastructure, such as the Spenard Rec Center, the Northwood Elementary School and the Brotherhood and Sisterhood Park. The area was surrounded by neighborhoods, but tucked in the back was an abscess of industrial development, which was an irritant to the neighbors. Without this rezone, that abscess could grow to where it would be one of the dominant features in an area where we have invested so much in our public

1 infrastructure and the neighbors have invested in their homes. The policy question was whether or not to
 2 allow the industrial abscess to grow and he felt the clear choice was no.

3
 4 Mr. Tesche said that passage of the legislation would enable the neighborhood to engage in a local plan for
 5 the area, which would be considered far better developed than would naturally occur if the properties were
 6 simply developed for their intended current uses. He felt a better and higher use of the property to the east,
 7 which was currently slated for a parking lot, would be for residential purposes. Mr. Tesche said he would
 8 support the ordinance.

9
 10 Mr. Tremaine said that, for the reasons stated, he would support ordinance AO 2001-172 (S).

11
 12 Question was called on the motion to adopt AO 2001-172 (S) and it passed:

13
 14 AYES: Sullivan, Von Gemmingen, Taylor, Van Etten, Traini, Fairclough, Kendall, Tesche, Tremaine.
 15 NAYS: None.

16
 17 (Clerk's Note: Ms. Shamberg and Ms. Clementson had not arrived at the time of the vote.)

- 18
 19 D. Ordinance No. AO 2001-173, an ordinance approving the rezoning of 15.06 acres from
 20 R-3 (Multi-Family Residential) Zoning District to B-3 SL (General Business with Special
 21 Limitations) for **Centerpoint Subdivision, Tract C**, generally located on the west side of
 22 C Street, north of West 40th Avenue and south of West 36th Street (Spenard Community
 23 Council) (Planning and Zoning Commission Case 2001-165), Planning Department.
 24 1. Assembly Memorandum No. AM 846-2001.
 25 (CONTINUED FROM 10-30-01; POSTPONED FROM 11-13-01)
 26 2. Ordinance No. AO 2001-173(S), an ordinance approving the rezoning of 15.066
 27 acres from R-3 (Multi-Family Residential) Zoning District to B-3 SL (General
 28 Business with Special Limitations) for Centerpoint Subdivision, Tract C,
 29 generally located on the west side of C Street, north of West 40th Avenue and
 30 south of West 36th Street (Spenard Community Council) (Planning and Zoning
 31 Commission Case 2001-165), Planning Department. **(LAID ON THE TABLE)**

32
 33 Mr. Sullivan moved, to adopt AO 2001-173.(S)
 34 seconded by Ms. Von Gemmingen,

35
 36 Mr. Sullivan said they were trying to create a four-way land trade for the good of the city and the
 37 neighborhoods. This rezone would allow the development of what used to be the 36th Plaza Trailer Court
 38 to proceed as a business development. The trailer court was rapidly becoming functionally obsolete. B-3
 39 development was already occurring with the Arctic Slope Regional headquarters. The rezone would allow
 40 development of the entire parcel as a business park, which he felt was appropriate. Planning and Zoning
 41 had originally considered this and made a requirement for 250 residential units, which was later amended to
 42 100 units. The S version removes that requirement, but under the B-3 zoning the developer can put in
 43 residential units if he chooses to. He encouraged a yes vote.

44
 45 Mr. Tremaine pointed out that the Assembly voted to rezone this property in February. They promised that
 46 15 acres would be residential and the rest would be business. We were told that anything less than 15 acres
 47 would be too small to develop as residential. We have gone from 240 to zero housing units. The Assembly
 48 passed the Comprehensive Plan, which talks about no net loss of residential housing units. Within less than
 49 a year, we are killing off 240 residential housing units, which he could not do.

50
 51 Mr. Sullivan said B-3 zoning did not preclude housing units and the developer would have that option. The
 52 ordinance would simply change the zoning to B-3, which allows residential housing.

53
 54 Question was called on the motion to adopt AO 2001-173 (S) and it passed:

55
 56 AYES: Sullivan, Von Gemmingen, Taylor, Van Etten, Traini, Fairclough, Kendall, Tesche.
 57 NAYS: Tremaine.

58
 59 (Clerk's Note: Ms. Shamberg and Ms. Clementson had not arrived at the time of the vote.)

60
 61 The Assembly then addressed item 3.B., AO 2001-168.

- 62
 63 Ordinance No. AO 2001-168, an ordinance authorizing the **acquisition and exchange,**
 64 **leaseback or other disposal of municipal land on or near the southeast corner of**
 65 **Northwood and International Airport Roads** and the Bering Street Vehicle
 66 Maintenance Facility northeast of the Tudor Road and Arctic Boulevard intersection,
 67 Heritage Land Bank.
 68 1. Assembly Memorandum No. AM 816-2001.
 69 2. Assembly Memorandum No. AM 913-2001, AO 2001-168: an ordinance of the
 70 Municipality authorizing the acquisition and exchange, leaseback or other
 71 disposal of municipal land on or near the southeast corner of Northwood and
 72 International Airport Roads and the Bering Street Vehicle Maintenance Facility
 73 northeast of the Tudor Road and Arctic Boulevard intersection, Heritage Land
 74 Bank.

75 (CONTINUED FROM 10-23-01; POSTPONED FROM 11-13-01)

76
 77 Mr. Sullivan moved, to adopt AO 2001-168.
 78 seconded by Ms. Von Gemmingen,

1
2 Mr. Sullivan said the ordinance was an agreement between the Municipality, Dimond Parking and JL
3 Properties to enter into land trades, including the associated property that was just rezoned by the
4 Assembly. There was a very detailed presentation on those trades. There was a memorandum from the
5 administration detailing the particulars of the trade and the benefits to the various parties. He urged
6 approval of AO 2001-168.

7
8 Mr. Tremaine said if he were in the audience he would wonder about the “good old boy network”, because
9 this was the type of stuff he did not like when he sat in the audience. He pointed out that the Assembly had
10 discussed this at great length, often in work sessions that are not televised or heavily attended by the public.
11 It was mentioned in the presentation that we would go from owning a warehouse to paying \$600,000 over
12 the course of five years to lease it back. Those funds would have to come out of the operating costs and he
13 wondered where the money would come from. He did not feel this was a good thing. The rezoning has
14 been done and that was not an issue. He questioned how this would benefit the Municipality of Anchorage.

15
16 Mr. Sullivan said one of the compelling reasons to lease back the property was because they were picking
17 up a piece of property that was significantly more valuable than the property they were trading. When you
18 are picking up an asset of greater value than what you are giving away, there are compelling reasons to
19 make up that difference. The way we chose to make up that difference was by leasing back the facility. It
20 would end up being a very balanced and even trade with the lease.

21
22 In response to Mr. Tremaine, Office of Planning, Development and Public Works Director Craig Campbell
23 said the \$60,000 was for the replacement of the door at the existing Kloep Station Street maintenance
24 facility, not at the Bering Street facility. The Municipality would retain the developed land at the
25 Northwood site. We would only be giving up the 11 acres of vacant land.

26
27 Ms. Von Gemmingen said she often attends education workshops at the building next to the Bering Street
28 location. It is quite ugly and she could hardly wait for them to move to the proposed new location. She felt
29 this would be a good move, because it would remove an eye soar and allows all the equipment to be kept in
30 one location.

31
32 In response to Mr. Tremaine, Mr. Campbell said the 11 acres referred to was off of International Airport
33 Road. To his knowledge, there were no improvements on that parcel. On the property south of the Kloep
34 Station facility, they have a warehouse, warm storage facility, maintenance garage, sand storage and the
35 graders are doing light maintenance there. The land we are buying from Carr-Gottstein was designed to
36 provide for the replacement of the Bering Street facility, which is the vehicle maintenance facility currently
37 off of Tudor Road.

38
39 Mr. Tremaine said they had a piece of property that was suitable for development of a parking lot that was
40 south of International Airport Road, directly adjacent to property that we own. We would be giving part of
41 that up, but we would keep our warehouse. In exchange, we would get a piece of property off of Raspberry
42 Extension to the east of the railroad tracks that was currently owned by Carr-Gottstein under option to JL
43 Properties to which we would move the Bering Street property. But we do not know if we are going to
44 move the equipment, storage and sand storage from the property we continue to own near the airport over
45 to the Raspberry Road property.

46
47 In response to Mr. Tremaine, Mr. Campbell said currently they were selling off the Bering Street facility.
48 They would gain money from that and immediately transfer those funds to the purchase of the Carr-
49 Gottstein property. They are in the process of looking at the environmental phase, phase I, for the Carr-
50 Gottstein property. They are also doing a phase I on the existing Northwood property to the south, which
51 has some wetlands. They want to determine where is the best location to put any expansion and the fleet
52 service facility. That determination has not been made at this time. The land we are getting from Carr-
53 Gottstein could provide for consolidation of all services, if that is the best thing for the taxpayer, or it would
54 be land that we could market and sell or do something else with in the future. That determination has not
55 been made. He felt the land trade was good for the taxpayers of Anchorage based on what he just
56 explained.

57
58 In response to Mr. Tremaine, Mr. Campbell said phase I was complete for the Carr-Gottstein property. We
59 are not going into this without a phase I environmental to ascertain that we can use the land. The question
60 would be whether it was best suited for the development of the fleet services and the street maintenance
61 facility. That determination has not been made, because we are evaluating land to the south of the existing
62 facility. We are trying to retain the full value of the taxpayer's money, which is the investment at Bering
63 Street, and give the Municipality options for better development in the future whether it is at the existing
64 location or at a new location. The 11 acres of land at the north side of the existing Northwood site is a
65 landfill site and we cannot build large buildings on it. It is good for a parking lot, but because of the
66 methane gas and other things, it precludes us from heavy development. We would prefer to have land like
67 the Carr-Gottstein property that you could build a full facility on rather than retaining an old landfill site
68 that had limited industrial commercial uses.

69
70 Mr. Tremaine said the fact that the site had limited industrial commercial uses was mentioned in the work
71 session. Under public testimony, Dimond Parking said they placed a higher value on our property that had
72 the methane gas under it than the property they currently owned, because of the nature of their business and
73 the site access.

74
75 In response to Mr. Tremaine, Municipal Attorney Bill Greene said the Municipality was going to retain
76 whatever hazardous waste liability it presently had under both state and federal statutes. We would be
77 protected with respect to any material increase in the hazardous waste risks. As it presently exists, we
78 anticipate our exposure to be very minimal, because the landfill has been monitored. We detected no

1 significant escape from the landfill. He could not provide any assurances that they would not have risks in
2 the future, because landfills change. There are two primary considerations. Leach 8 is the liquid that
3 accumulates. We monitor that and have seen no significant movement of leach 8 off the site. The other
4 hazardous waste is methane gas and we have seen no significant or unanticipated escapement of methane
5 gas laterally. We know that methane gas, by its nature, evaporates vertically. The landfill appears to be in
6 very good shape.

7
8 Mr. Tremaine said he still was not convinced that this was a beneficial trade for the city. He did not see
9 where they would come out ahead financially. He saw some political, social and neighborhood reasons, but
10 no financial reasons for this. He would vote no on the ordinance.

11
12 Ms. Clementson said her main concern was that they were operating this year with some very tight
13 constraints on their budget and not everything could be funded. All the people who testified during the two
14 nights of budget hearings testified because there were lots of things they felt were important that were not
15 in the budget. If you listed 25 things and asked people in Anchorage to rank them as to what they felt was
16 the most important thing for us to spend our money on, she felt everyone would list #25 as paying for
17 property that we already own. We own the Bering Street parcel and the Municipality currently has a need
18 for it. A couple of weeks ago the Mayor vetoed eight projects off the capitol improvement program list,
19 because he said they did not go through the process. The process is that when something comes up, it is
20 nominated and put on that list and then it goes through a review and it moves up in its time. If moving
21 Municipal maintenance yards had been a problem and something we needed to do, it should have been
22 identified as a priority and placed on the CIP. At the very least it should have been placed on the CIP this
23 year since we had all the information, but the CIP went forward without it. We are selling a piece of
24 property that we own and use instead of providing bus service, fuel for police cars, policemen, and
25 acquisition money for library books or museum objects. Instead, we are going to lease back property that
26 we already own. The assurance that we have a big plan and plan to do something with this property in the
27 future was not identified in the CIP. She understood that they might be trading this land for some more
28 valuable land. We need the Bering Street property right now. We have a lease for five years with an
29 option to extend that up to 14 years. If we lease this property back for 14 years, we will have paid more
30 than the value of the property to the new owners. The taxpayers would rather have \$148,000 of something
31 else. While we may be headed in the right direction, she did not believe the ends justified the means. We
32 need to have a plan and we need to know what we are going to do with this property. We need to know
33 what the Kloep Station will or will not accommodate and when we might move it. She discussed this last
34 week with Mr. Greene and he agreed that the Code required the operating budget to go hand-in-hand with
35 the CIP. She questioned why the process did not count in this situation. She asked to have an amendment
36 submitted for the CIP so they could be sure that they were heading in a direction that could be explained to
37 the taxpayers.

38
39 Mr. Campbell said he discussed this last week with Ms. Clementson. He understood Ms. Clementson's
40 concern. He clarified the CIP and the CIB process. You do not put a project on the CIP until you have a
41 real project to bring forward. That was a separate issue from the land trade. The value of the Bering Street
42 property was being reinvested in the Carr-Gottstein property so the taxpayer would be made whole.
43 Whether we sell that property in the future and recoup the \$600,000 in leasing rates or pay in advance for
44 land that we would need for future development was an open question. That question was driven by other
45 dynamics such as the best location to co-locate facilities, the value of land we have today at the existing
46 location and the new Carr-Gottstein location, rail access and reduction of costs of operations. Those are
47 legitimate questions that would be looked at immediately following this process. When the lands are in
48 place and money has been exchanged, the taxpayer would remain whole. We want to do the right thing
49 concerning building a facility. Once that decision is made, we would bring it back to the Assembly and put
50 it into a CIV/CIB program. It would be premature to come forward and provide a CIP for construction
51 three years from now for a building at the Carr-Gottstein property when that may not be a good location for
52 the Municipal facility. It could be more beneficial to invest in the land for other purposes. The range could
53 be from selling the property to utilizing it for other services and leasing it out to an industrial park for air
54 cargo development. There are a variety of things that land could be used for and we would control it. The
55 investment we made from selling Bering Street and investing in that land would be retained for the
56 taxpayer. When a facility site is determined and the location and structure is decided upon, we will bring
57 that back to the Assembly to be included in the CIP and CIB. We will not shortchange the system on that.

58
59 Ms. Clementson said they were not preserving the value of the Bering Street property for the taxpayers,
60 because we are asking them to pay for the property twice. We are purchasing the Carr-Gottstein land,
61 which we may or may not need, at the expense of services in the 2002 budget. The cost would be \$148,000
62 a year for five years and after five years the cost goes up. The government is saying trust me to prove this
63 and then we will tell you how we are going to do it. That's the same thing that happened with the Far
64 North Bicentennial Park.

65
66 Mr. Campbell said he did not appreciate the characterization that they were saying trust us. There was a
67 real deal to sell a building and buy land. The value in dollars was retained for the taxpayer. We are telling
68 you that we will come back to you with what is the best use of that land. There is real land that has value
69 and is good for the Municipality. We will develop a plan and bring that plan back to the Assembly. Those
70 two are separate issues from the deal you have before you today.

71
72 Ms. Clementson said she did not understand the deal. Her understanding of the deal was that they were
73 going to sell off the land next to the Kloep Station and the Bering Street property, because at some point in
74 time we want to consolidate. When she asked Mr. Campbell why that was not in the CIP, he said they
75 really did not know what they wanted to do yet. He said maybe they would use the Carr-Gottstein parcel
76 and maybe they would not. But they were going to sell the Bering Street parcel even though they did not
77 know where or how they were going to replace it. If that was not saying trust me and we would work on a
78 plan later, she did not know what was.

1
2 Mr. Sullivan felt Ms. Clementson was missing the overall point. This trade gives the city opportunity. If
3 we had a year or two to develop this project, maybe it would have been possible to come forward with a
4 complete CIP/CIV proposal. We are trading two parcels of land for one of greater value. The taxpayers
5 are getting a greater value on the land that we are receiving than what we are giving up. In order to make
6 up for that, we are entering into a lease. If the CIP said that in five years they would build a building, they
7 would be using taxpayer money to build a building rather than lease a building. It all comes out in the
8 wash. This is not a perfect world and we are under time constraints to make this happen. He was more
9 than satisfied that the administration was going to come back to them in a year with a proposal on the CIP
10 that would indicate the best and highest use of the Carr-Gottstein property. There was no doubt in his mind
11 that it would be a proposal that said they were going to get great value for this land and it would improve
12 either the consolidation of their facilities or the ability to bring in their sand and gravel. It would be
13 premature to come forward with a CIP proposal right now, because that planning has not been done. That
14 has nothing to do with the dynamics of this deal, nor the willingness and ability of the Assembly to approve
15 this deal.

16
17 In response to Mr. Tremaine, Mr. Campbell referenced Appendix C and the Summary of Economic Effects
18 in Appendix E. Appendix C describes several things. There will be no direct costs now in executing the
19 land exchange. No money from the taxpayers. Property tax revenues are expected to increase through the
20 parking lot, the multi-family housing subdivision, the potential hotel expansion and the proposed
21 commercial expansion at the Plaza 36 site. If you take only the appraised value of the parcels in the
22 ordinance and trade those, we are down \$200,000. When you take the discounted lease after the
23 negotiations, it comes out to \$40,000 a year. Over the five-year period, that is \$200,000. By taking that
24 into account, under Appendix C he could declare that no money was exchanging hands and we are whole.

25
26 Mr. Tremaine said the deal did not make sense. We exchange property and come out short. But because
27 we are getting a reduced lease on a building we currently own, which we are trading away, we are going to
28 come out ahead.

29
30 In response to Mr. Tremaine, Mr. Campbell said we would come out even.

31
32 Mr. Tremaine pointed out that they currently owned the property. They would be trading two parcels of
33 land for one and would come out a little behind on the deal. But because they would get a reduced lease on
34 the building they already owned, they would come out ahead. That did not make financial sense.

35
36 Chairman Traini pointed out that Mr. Campbell did not say they came out ahead, but they came out even.

37
38 In response to Mr. Tremaine, Mr. Campbell said the \$9,300 for the Bering Street maintenance shop to have
39 the exterior repainted would not be done if this deal went through, but that was included in case the deal did
40 not go through. The \$135,000 for refurbishing and extending the roof of the main building of the Bering
41 Street maintenance shop would still be necessary.

42
43 Mr. Tremaine said they would spend \$135,000 on the building that they currently own, which they were
44 going to sell and lease back at a reduced rate to make us break even on the deal. But we are going to put
45 \$135,000 of capitol improvement project money into a piece of property that we would no longer own. Mr.
46 Tremaine said he could not vote for this and he felt anyone who did was foolish.

47
48 Mr. Tesche said based on the comments of the Heritage Land Bank Director and the analysis that he
49 offered, he was satisfied that they were getting equal value for equal value. He did not see any voodoo
50 economics here.

51
52 Ms. Von Gemmingen said the Bering Street property was listed at \$1,050,000. The International property
53 was listed at \$1,475,000. The total of the two properties was \$2,525,000. The Carr-Gottstein property was
54 listed at \$2,325,000. Although there was a difference of \$200,000 between what we were giving up and
55 what we were getting, the difference would be rapidly made up in the fact that the Bering Street and
56 International properties would be held by private individuals and we would be getting property tax. She
57 felt it was a good trade.

58
59 Mr. Tremaine said we own property worth \$2,525,000, which is not on the tax roles. We trade it for
60 property worth \$2,325,000, which is on the tax roles. We lose \$200,000. The taxpayers gain tax on
61 \$200,000. The property that we give up is worth \$200,000 more than what we get. At a tax rate of 1.8
62 mills, that would be about \$3,000. So the taxpayers gain \$3,000 a year more or less. We lose \$200,000.
63 And we start off with a \$200,000 capitol loss, plus \$135,000 operating loss this year that we have to do to
64 repair a building that we no longer own. Then we rent that building back for \$600,000. We cannot get out
65 of that lease. If we are one day late, they can ask for the entire five years of lease payments at once
66 according to the contract. So that is \$800,000. We get back \$3,000 a year times five years, which is
67 \$15,000. We would still be down \$785,000.

68
69 Ms. Von Gemmingen said JL Properties would be B-3 zoning rather than a residential zoning. The parking
70 lot on International would also be bringing in additional money. JL's property on Northwood Street, which
71 would be developed, would bring in additional property taxes.

72
73 Question was called on the motion to adopt AO 2001-168 and it passed:

74
75 AYES: Sullivan, Von Gemmingen, Taylor, Van Etten, Traini, Fairclough, Kendall, Tesche.

76 NAYS: Shamberg, Tremaine, Clementson.

77
78 Chairman Traini noted that Mr. Sullivan voted yes on the approval of AO 2001-168.

1
2 The Assembly then addressed item 3.A., AO 2001-138.

3
4 Ordinance No. AO 2001-138, an ordinance of the Municipality of Anchorage authorizing
5 the **purchase of Crossroads Business Park, Tracts 5A and 5B**, Anchorage,
6 Assemblymembers Sullivan and Von Gemmingen.
7 (CARRIED OVER FROM 7-24-01; CONTINUED FROM 8-14-01 AND 8-28-01;
8 CARRIED OVER FROM 9-11-01; CONTINUED FROM 9-25-01; POSTPONED
9 FROM 11-13-01)

10
11 Mr. Sullivan moved, to postpone AO 2001-138 indefinitely.
12 seconded by Ms. Von Gemmingen,
13 and it passed without
14 objection,

15
16 Mr. Sullivan moved, for immediate reconsideration of
17 seconded by Ms. Von Gemmingen, AO 2001-172 (S).

18
19 Mr. Sullivan urged a no vote.

20
21 Ms. Clementson said she was not present when they discussed this ordinance and would like the
22 opportunity to make some comments. The number one goal of the Comprehensive Plan was to preserve
23 residential land and AO 2001-172 (S) removes the requirement for residential development. If we are
24 looking at an employment center and a transit corridor that requires higher density residential development,
25 why would we approve AO 2001-172 (S) instead of AO 2001-172 that removes the residential requirement.
26 We are going to get less residential development on the Northwood property, if we get any at all. She did
27 not feel they would have any residential development on the Northwood property. The peat there was
28 extremely deep, similar to the amount of peat that was on the property right behind Lowe's, which adds
29 greatly to the cost of development. There is a requirement for greater sound insulation for the 60 to 65
30 DBN from the airport, which also adds to the cost of development. It was not an ideal location for multi-
31 family residential units. She questioned why anyone would want to go out there and spend all that money
32 to develop high-density residential property. When the Eagle Hardware rezone was before the Assembly, it
33 was zoned multi-family residential. The developers wanted to rezone it to B-3, because it was too
34 expensive to develop because of the peat. If we could not develop the land behind Eagle Hardware, she did
35 not feel they would develop it at Northwood. We are facing a very high potential for a significant loss in
36 residential development. The Planning and Zoning Commission was trying to do something to protect that
37 when they put the requirement for residential property in Centerpoint. If we all bought into the
38 Comprehensive Plan back in February and then approved the rezone that was before us that said we would
39 require residential development, why do we now think it is a great idea to remove any residential
40 requirements? It does not make sense. Ordinance 2001-172 (S) removes the requirement for residential
41 development. She felt it would be more closely aligned with the Comprehensive Plan if they approved AO
42 2001-172 instead of AO 2001-172 (S). It still allows commercial development, but it has a component that
43 requires residential development to go along with it. If you have read the staff's comments, then you know
44 how important this is. She did not understand how people who claim to support the planning process and
45 the Comprehensive Plan could now say they did not feel there should be any residential development. She
46 urged that they reconsider AO 2001-172 (S) and pass AO 2001-172 instead.

47
48 Question was called on the motion to reconsider AO 2001-172 (S) and it failed:

49
50 AYES: Fairclough, Shamberg, Clementson.

51 NAYS: Sullivan, Von Gemmingen, Taylor, Van Etten, Traini, Kendall, Tesche, Tremaine.

52
53 Mr. Sullivan moved, for immediate reconsideration of
54 seconded by Ms. Von Gemmingen, AO 2001-173 (S).

55
56 Mr. Sullivan urged a no vote.

57
58 Question was called on the motion for immediate reconsideration of AO 2001-173 (S) and it failed:

59
60 AYES: Fairclough, Tremaine, Clementson.

61 NAYS: Sullivan, Von Gemmingen, Taylor, Van Etten, Traini, Kendall, Tesche

62
63 (Clerk's Note: Ms. Shamberg was out of the room at the time of the vote.)

64
65 Mr. Sullivan moved, for immediate reconsideration of
66 seconded by Ms. Von Gemmingen, AO 2001-168.

67
68 Mr. Sullivan urged a no vote.

69
70 Mr. Tremaine said this was the last chance for those people who believed in planning and residential
71 development to save 240 housing units. He urged a yes vote.

72

1 Question was called on the motion for immediate reconsideration of AO 2001-168 and it failed:

2

3 AYES: Fairclough, Shamberg, Tremaine, Clementson.

4 NAYS: Sullivan, Von Gemmingen, Taylor, Van Etten, Traini, Kendall

5

6 (Clerk’s Note: Mr. Tesche was out of the room at the time of the vote.)

7

8 Mr. Sullivan thanked all the people in the administration that worked very hard on this deal, as well as
9 Dimond Parking and JL Properties. These people put in an extraordinary amount of effort to make this deal
10 happen. It is probably not a perfect deal, but it is good for the Municipality of Anchorage.

11

12 **4. ADJOURNMENT**

13

14 The meeting adjourned at 4:54 p.m.

15

16

17

18

19

20

21

Chairman Dick Traini

22

23

24 ATTEST:

25

26

27

Municipal Clerk

28

29

30 Date Minutes Approved: _____, 2002

31

32 GM/kron/cmw