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3 **MUNICIPALITY OF ANCHORAGE**
4 **ANCHORAGE ASSEMBLY**

5
6 **Assembly Conference Room**
7 **First Floor, City Hall**
8 **632 West 6th Avenue, Anchorage, Alaska**

9
10 **Minutes for Special Meeting of June 30, 2003**
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19 **1. CALL TO ORDER**

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21 The meeting was convened at 12:00 noon by Assembly Chairman Dick Traini in the Assembly Conference
22 Room, 632 West 6th Avenue, First Floor, Anchorage, Alaska.

23
24 **2. ROLL CALL**

25
26 PRESENT: Allan Tesche, Brian Whittle, Fay Von Gemmingen, Dick Traini, Anna Fairclough, Doug Van
27 Etten, Janice Shamberg, Dick Tremaine and Dan Sullivan.

28 ABSENT: Melinda Taylor (excused), Dan Kendall (excused).
29

30 **3. PLEDGE OF ALLEGIANCE** Mr. Sullivan led the pledge.
31

32 **4. OLD BUSINESS AND UNFINISHED ACTION ON PUBLIC HEARING ITEMS**

33 4.A. Resolution No. AR 2003-119, a resolution authorizing the Municipality of Anchorage to
34 purchase, Tract H-3A, Southport Tracts (pending re-plat) for the purpose of building a **new fire**
35 **station in South Anchorage**, Real Estate Services.

36 1. Assembly Memorandum No. AM 429-2003.

37 (*Failed 6-10-03; Notice of Reconsideration was given by Mr. Traini 6-11-03;*
38 *Reconsidered 6-24-03*)
39

40 Chairman Traini read the resolution title and summarized the history of AR 2003-119 and explained that it had
41 been reconsidered. He stated there were no motions were pending and he called for a motion.
42

43 Mr. Tesche moved, to approve AR 2003-119.
44 Mr. Whittle seconded,
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46

47 Mr. Tremaine stated he would like to present comparative sale prices of properties sold in the community. He
48 stated there was no question that this parcel of property being considered was the best location for the new fire
49 station, but he felt the property was overpriced. In the site selection study, DOWL Engineers addressed
50 comparative site costs. Mr. Tremaine explained that the Site E had been purchased by the Peterson Group and
51 was part of the same general tract. The DOWL Engineering study estimated the cost for excavation and refill at
52 \$600,000, but there was an error in the study because they had used soil borings samples from the wrong
53 location and did not have the correct information available. For those reasons, Mr. Tremaine proposed the cost
54 should be reduced by \$500,000. Mr. Tremaine stated that the Fire Department had been notified of this error.
55 The soil in Site E was slightly better than the soil in Site D, which was the preferred site. He stated there was
56 another piece of property that had not been considered, located on Minnesota Drive and 100th Avenue on the
57 eastside of the road located next to a new church. The pastor of the church contacted Mr. Tremaine and Ms.
58 Shamberg last week and said they were interested in putting the fire station on the site. The Fire Department
59 was unaware of that site when they did the study and there was still a question of whether or not that site could
60 be considered with a reasonable response time. Mr. Tremaine felt the high price of Site D should be
61 questioned. He urged the Administration to re-examine the process of acquiring property for the Municipality of
62 Anchorage. He stated that the past practices did not seem to be working for school sites, police stations sites,
63 fire department sites or municipal land in general. Reorganizing the process would require changes to the code.
64 He would be happy to work with the new administration on that process. He did not feel that public debates on
65 prices were a good way for the Municipality to protect taxpayer dollars.
66

67 Chairman Traini agreed with Mr. Tremaine and looked forward to working with the new Administration on
68 redefining how the Heritage Land Bank procured real estate for the Municipality.
69

70 John Fullenwider, Chief of the Anchorage Fire Department, said he still felt strongly that Site D was the best
71 selection. The review appraisals requested by Mr. Tesche were complete and reaffirmed the appraisals. He

1 agreed with Mr. Tremaine that the public debate process on real estate was the wrong procedure and he
2 volunteered to work with the new Administration on reviewing the issue.
3

4 Mr. Van Etten said he was uncomfortable voting to approve Site D based on the numbers provided in Mr.
5 Tremaine's report. He did not think the Assembly could move forward without examining the information
6 supplied by Mr. Tremaine, concerning the property values of the sites. He agreed that public debate on the
7 purchase of property was inappropriate.
8

9 In response to Mr. Tesche, Real Estate Services Department Manager, Gladys Wilson, said they were not
10 currently negotiating, because Mr. Mense was out of town. The agreement to purchase the property expired at
11 midnight and there was not an opportunity to extend the agreement. The review appraisal, completed by Mr.
12 Frank King, was done over the weekend and provided to the Assembly that morning. Mr. King summarized by
13 saying that he agreed with the methodology, the comparable property sale prices were appropriate and the
14 appraiser's conclusion was appropriate. The review appraisal was only a review of the methodology used on
15 original appraisal and not a third appraisal of the property.
16

17 In response to Mr. Tesche, Mr. Tremaine said he had not received any numbers on Site E from Mr. Plumber.
18 He had a conversation with DOWL Engineers on Friday and they agreed that their extraction refill costs were in
19 error. The drill hole on the site indicated that there was about one and a half feet of peat, followed by four and a
20 half feet of gravel and sand, followed by sand. He estimated that the extraction cost would be no more than the
21 cost for Site D, which was about a \$500,000 change.
22

23 In response to Mr. Tesche, Mr. Roe Sturgulewski, RISE Alaska, said he was not with DOWL Engineers, but he
24 could speak to the question. He stated that Mr. Tremaine was correct in stating that DOWL Engineer's initial
25 report on Site E costs had been overstated. They were based on earlier soil work where they thought there
26 might be permafrost in the area. A later report done in 2000 confirmed that there was not permafrost in the
27 area. DOWL Engineers looked at those costs and determined that Site E would be about \$75,000 less to
28 develop than Site D. To Mr. Tesche's question, Mr. Sturgulewski responded that the revised estimate for Site D
29 would be right around \$500,000. He stated that compared to the other sites, Site E would be the less expensive
30 site to build on.
31

32 In response to Mr. Tesche, Mr. Tremaine said he had not had an opportunity to look at the review appraisal
33 report. He suspected that the appraiser followed the proper procedures, but he disagreed with the assumptions
34 that were made. His concerns were entirely limited to the cost of acquisition of the property and the appraisal
35 challenges.
36

37 In response to Ms. Von Gemmingen's questions, Mr. Fullenwider said the response time from the Minnesota
38 Drive and 100th Avenue property would be similar to that of Site D as shown on Table 8. The original response
39 times were measured in February and would vary depending on when they were taken. The AFD was in the
40 process of comparing the response times from the different locations.
41

42 In response to Ms. Fairclough, Municipal Attorney Bill Greene said he was not familiar with the process and
43 needed to consult with Purchasing Officer, Bart Mauldin, to review the request for proposal and the scoring
44 sheet to see what the evaluation process had been. He agreed that this raised questions, but he could not
45 answer them. Ms. Fairclough said she was concerned that the Municipality could be held liable for the request
46 for proposal process, which had errors within the materials that had been evaluated. Mr. Greene said this was
47 not a RFP process, but a site selection process and he had not had the opportunity to check the other site that
48 was being considered and if it was available for purchase.
49

50 Chief Fullenwider said the error in the site selection process dealt with the cost of developing the land, which
51 was comparable between Sites D and E. He did not feel the vehicle response times from the other properties
52 would be comparable to that of Site D. Site D served the most people at the correct location. Site E was not
53 available, because the owner did not want to sell the property. From the Fire Department's perspective, Site D
54 was the best piece of property. They felt the price was acceptable, although it could be better. The Chief stated
55 main issue was the need to build the fire station to serve the public.
56

57 Ms. Fairclough said they had been looking at the public safety issue for years with respect to wildfire response
58 and the AWARE Program in relation to south Anchorage and there were holes in the response times.
59

60 In response to Mr. Tesche, Ms. Wilson said Site G was municipal property, which was the ball-field complex.
61 Site F had a preliminary plat for multi-family residential and was not available. There were no written offers to
62 sell from any property owner except Site D.
63

64 Mr. Tesche said this apparently had not been a competitive bid or the evaluation of competing proposals to
65 provide a fire station. This had been more of a recommendation to use a particular site based on a
66 departmental recommendation that had been negotiated between a willing seller and a willing buyer. Mr.
67 Tesche stated that the Assembly could either reject this offer and look for other properties that had not been
68 considered or they could approve this with the realization that there were grave concerns about the price. The
69 appraisal seemed to support the price negotiated by the parties and there had been a review appraisal done.
70

71 Mr. Tremaine said Site E might have been considered if the gravel extraction cost had been known, but it was
72 recently purchased by there Peterson Group that wanted to build multi-family houses and they were not
73 interested in selling. He felt Sites D and E were the best sites and equivalent in response times. Because Site

1 E had an unwilling seller, the only choice would be to go through the eminent domain condemnation for public
2 use process, which was a difficult process that the administration chose not to pursue. The question was
3 whether the Assembly should accept or reject Site D based on the original appraisals and the review appraisal.
4 There was no question that a fire station was needed in the area.
5

6 In response to Mr. Van Etten, Chief Fullenwider said everything was centered around response times and the
7 number of people that could be served, which was why other properties had not been more fully considered.
8 The response time from Sites F and G would not be comparable to Site D.
9

10 Mr. Tesche said he would vote in favor of the acquisition. He had an enormous degree of respect for the work
11 Mr. Tremaine put into the project and he was troubled by the numbers presented to the Assembly. He felt the
12 growing South Anchorage area needed a fire station immediately. He would support the acquisition, because
13 there were no other sites available at this time, he respected the staff's recommendation and there was
14 appraisal data available. In terms of making a decision and balancing the risk to the public and the
15 consequences of not going ahead with the project, he would support the acquisition.
16

17 Mr. Sullivan joined Mr. Tesche in supporting AR 2003-119. He noted that the appraisal had been done by
18 professionals and sometimes the Assembly had to yield to their opinions. The Assembly should consider the
19 overall public good the project would provide in terms of public safety. If they decided to pursue the eminent
20 domain process, the attorney fees could increase the overall price of the property beyond that of Site D. He felt
21 it was time for the Assembly to approve AR 2003-119 and move ahead.
22

23 Ms. Fairclough said she would cast a YES-vote on AR 2003-119. She asked those who were considering voting
24 "no" to reconsider their position and put public safety first. The fact that the process needed to be looked at had
25 been well proven. She stated an audit needed to be implemented and she felt the Assembly needed to support
26 it unanimously. Ms. Fairclough felt it was necessary to question the experts. If the Assembly did not question
27 the price of \$325,000 an acre, they would be showing no regard for the income of the municipality and the
28 taxpayers who supplied that income. She noted that the Assembly had approved the zoning that increased the
29 value of this property and now they were being asked to pay an exorbitant price for it.
30

31 In response to Ms. Shamberg, Chief Fullenwider said the construction of the fire station would begin in 2004,
32 with completion in 2005. Ms. Shamberg noted that it was difficult to argue with the position of building the fire
33 station for public safety, but there was a certain amount of public trust that had to be considered.
34

35 Mr. Van Etten pointed out that the critical issue for the Fire Department was the response times. The tri-data
36 study could not have known what the rate of growth would be in this area. He urged the Assembly and the new
37 administration to take a serious look at the acquisition process. Earlier in the meeting he stated that he could
38 not justify voting for this property given the difference in the prices Mr. Tremaine presented versus what the two
39 appraisals had shown, but he understood the need for fire safety. He noted that the fund certification had three
40 fire station bonds, which totaled \$655,000. He questioned if this was all of the fire station bond money that was
41 approved or if there was other money in the pot that had been voter approved.
42

43 In response to Mr. Van Etten, Mr. George Cannelos, Director of the Heritage Land Bank, said the fund was
44 certified for the amount of the property and there was other money in the pot that had been voter approved.
45

46 Mr. Van Etten said he would vote to approve AR 2003-119 under great duress.
47

48 Mr. Whittle noted that most people agreed that Site D was the best site for the fire station. He agreed that the
49 Assembly needed to work on the process of acquiring property. He stated he would cast a YES-vote on AR
50 2003-119.
51

52 Chair Traini pointed out that citizens' lives were won or lost in a matter of minutes. Taking everything into
53 consideration, he would support AR 2003-119.
54

55 Question was called on the motion to approve AR 2003-119 and it passed.
56

57 Mr. Tesche moved, to approve AR 2003-119.
58 Mr. Whittle seconded,
59 and this motion was passed,
60

61 AYES: Tesche, Whittle, Von Gemmingen, Traini, Fairclough, Van Etten, Shamberg and Sullivan.
62 NAYES: Tremaine.
63 ABSENT: Taylor and Kendall, each excused.
64

65 Mr. Whittle proposed a motion for immediate reconsideration. Mr. Tremaine urged a NO-vote.
66

67 Chair Traini stated that because this resolution was currently being reconsidered it could not be reconsidered.
68

69 Municipal Attorney Bill Greene recommended that the Assembly move into Executive Session to take up
70 matters relating to the issued and outstanding bonds of the Municipality involving pending matters that, if
71 immediately disclosed, would clearly adversely affect the finances of the Municipality.
72

73 5. EXECUTIVE SESSION

1
2 Ms. Fairclough moved, to recess *into Executive Session* for the purpose of
3 Ms. Von Gemmingen seconded, taking up pending matters relating to the
4 and this motion was passed, issued and outstanding Municipality bonds.
5

6 AYES: Tesche, Whittle, Von Gemmingen, Traini, Fairclough, Van Etten, Shamberg, Tremaine and Sullivan.
7 NAYES: None.
8 ABSENT: Taylor and Kendall, each excused.
9

10 At 1:35 p.m. the Assembly returned to open session.

11
12 **6. ADJOURNMENT** The meeting adjourned at 1:40 p.m.

13
14 Mr. Tesche moved, to adjourn the Special Assembly Meeting.
15 Mr. Tremaine seconded,
16 and this motion was passed,
17

18 AYES: Tesche, Whittle, Von Gemmingen, Traini, Fairclough, Van Etten, Shamberg, Tremaine and Sullivan.
19 NAYES: None.
20 ABSENT: Taylor and Kendall, each excused.
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29 _____
30 DICK TRAINI, Assembly Chair
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34 ATTEST:
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43 _____
44 BARBARA GRUENSTEIN, Municipal Clerk
45 Date Minutes Approved: April 13, 2004
KRON/MFC