

FRAMEWORK FOR A STRONG ANCHORAGE ECONOMY

**ACTING MAYOR
AUSTIN QUINN-DAVIDSON**



LETTER FROM THE ACTING MAYOR

Over the last year we have faced unprecedented health and economic challenges. We have also learned that we cannot have a healthy economy without a healthy community. As we continue our public health response, there are many reasons to be hopeful. Vaccines are widely available in Anchorage. Summer is on the horizon, with the promise of brighter days. And despite the challenges of the past year, we are on a path to economic recovery and long-term economic growth.

Vaccines are the ticket to a healthy community and a healthy economy moving forward. In Anchorage we've led efforts to make vaccines easy and accessible. We've also set a clear, attainable community goal: 70% of our eligible population vaccinated against COVID-19.

Beyond tackling the direct economic impacts of COVID-19, we're also driving new housing development, streamlining permitting and development processes, and tackling challenging policy issues in a way that saves our city money. In everything we do, my team is committed to driving Anchorage's economy forward and laying a strong foundation for the next administration. We also know that local government can't do it alone, and public-private partnership will be critical to our city's success. That's why we've convened 170 leaders from business, nonprofit, and industry sectors to work on a Roadmap to a Vital and Safe Anchorage (RVSA), which will help guide Anchorage's short- and long-term economic success.

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SUMMARY

The Acting Mayor's administration is driving economic recovery forward while laying a strong foundation for long-term economic growth. Our focus isn't just on getting Anchorage back to where it was a year ago: We're focused on putting Anchorage in a position to build back to a stronger economy and a more vibrant community. That means addressing the immediate health and economic impacts of the pandemic, while also laying the groundwork for the future: An Anchorage with new investment; streamlined development processes; a revitalized downtown; and policy solutions that are good for the environment and the economy.

Here are key highlights of the Municipality's work to drive Anchorage toward a stronger economy.



ADDRESSING THE ECONOMIC IMPACTS OF COVID-19

1. Prioritize vaccine access and uptake

Vaccines make for a healthy community and a healthy economy. Increasing our vaccination rate means fewer public health restrictions, higher consumer confidence from residents and tourists, fewer business closures, and a healthier population and workforce. With over 56% of the eligible population already having received one dose by late April 2021, we've set a clear and attainable goal: to get 70% of the eligible population vaccinated. To get there, we're leading a statewide effort to get more Alaskans vaccinated through "Vaccine Week: Sleeves Up for Summer," a weeklong vaccination push during the first week of May. Partnering with local businesses, the State of Alaska, and community members will be critical to reaching this shared goal.

Community

Goal: 70% of eligible Anchorage residents vaccinated

Vaccine Week:
May 1-9, 2021

2. Maximize historic infusion of cash into Anchorage's economy

Responding to the Pandemic: Coronavirus Aid, Relief, and Economic Security (CARES) Funds

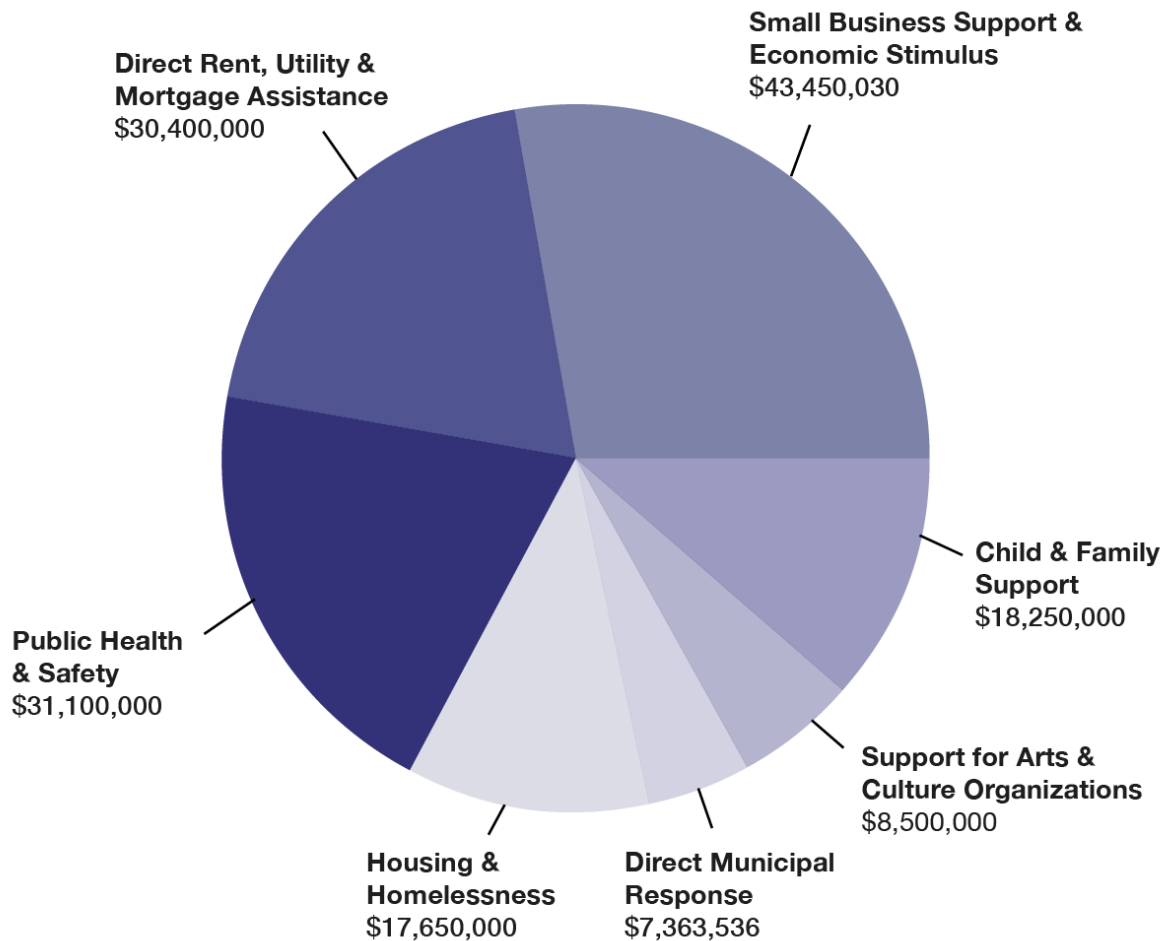
Through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Coronavirus Relief Fund, this administration allocated \$156M in direct federal relief to support families and businesses through the pandemic. CARES Act-funded programs helped thousands of Anchorage families stay housed, enabled hundreds of businesses and nonprofits to keep their doors open, funded our public health response to the pandemic, and helped support our community's well-being as we weathered the effects of the global public health and economic pandemic.

CARES Act Highlights:

- Rent and mortgage relief that kept over 7,400 families housed during the pandemic.
- Small business and nonprofit grants that helped businesses keep their doors open.
- Support for our cultural pillars and institutions that sustain the historic, cultural, and creative industries of the municipality.
- Restaurant & Hunger Relief Program, which brought much-needed revenue to Anchorage restaurants, kept workers on the job, and provided over 72,500 meals to low-income families, children, youth and seniors.

- Business and workforce development initiatives, such as Anchorage Online Bootcamp and the gBeta / Upskilling programs to help Anchorage adapt to the changing economy.
- Tourism business support and “re-marketing” efforts through Visit Anchorage to promote Anchorage as a safe tourist destination.
- Investment in critical services related to housing and homelessness, food security, and domestic violence.

CARES Act Funding Breakdown



Millions on the Way to Anchorage: American Rescue Act Funds

The administration’s priorities for incoming federal relief through the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds will include additional direct relief to eligible small businesses and nonprofits that did not receive CARES Act funding, support for critical housing and homelessness services that keep people off the streets and out of unsafe camps, and investment in local resource navigators to help Anchorage businesses and organizations apply for and receive state and federal relief. Investing in resource navigators and technical assistance will allow Anchorage businesses to apply for funding opportunities such as the Restaurant Revitalization Fund, the Shuttered Venue Operators Grants, and more.



ENCOURAGE NEW INVESTMENT & DEVELOPMENT IN ANCHORAGE

1 ADAPT TO THE PANDEMIC & ENCOURAGE NEW CONSTRUCTION ACTIVITY

During the pandemic, the administration took swift action to encourage new construction, resulting in a banner construction year in 2020. 2020 included both the highest construction valuation over the last four years and more single-family homes permitted than any of the last five years. Actions taken by this administration include:

- Continued tax incentives to encourage downtown development, such as the 10-year deteriorated property tax abatement that encouraged private developers to invest \$41M into an iconic downtown building with office space, retail, and restaurants.
- Extended a COVID-19 25% fee reduction for all construction applications and permits, thereby encouraging more construction projects.
- Developed innovative video inspection services, allowing required building safety inspections to continue in a COVID-safe manner.
- Created a streamlined process for businesses to utilize adjacent outdoor areas—including public rights-of-way—for seating and service, encouraging more economic activity outdoors.
- Eliminated the \$5,000 temporary structure deposit to encourage more businesses to use tents and other temporary structures, encouraging more outdoor economic activity.

2 ENCOURAGE NEW HOUSING DEVELOPMENT

Anchorage's aging housing stock and lack of affordable housing are not just housing issues; they're economic issues. Aging housing costs more to maintain, further exacerbating the higher cost of living in Alaska, while new housing development creates jobs and introduces new housing options for a variety of residents—whether that's affordable housing for people experiencing homelessness or new housing options that attract people to Anchorage and keep them here. This administration remains focused on encouraging new development through:

- Continuing existing incentives, such as the downtown residential property tax incentive that is encouraging private developers to invest over \$25M into some of the first new residential development in downtown since 2006.
- Partnering with the Rasmuson Foundation to support housing development through the Chief Housing Officer position, hosted within municipal government.
- Creating additional incentives that encourage redevelopment of vacant and abandoned properties and conversion of existing buildings into affordable housing units.

**2020 was
the busiest
construction
year in the
last 5 years.**

- Improving the Accessory Dwelling Unit (ADU) code, making ADU construction and occupancy more feasible.
- Developing additional zoning code changes to provide greater flexibility for residential construction.

3 **STREAMLINE & SIMPLIFY DEVELOPMENT PROCESSES**

Long-term economic growth will depend on new investment, new development, and new construction in Anchorage. We've streamlined our permitting processes with a new online platform for building plans, submittals, and applications. We're in the process of doing the following to capitalize on the good work already done:

- Expanding online tools to make permit submittals easier and more intuitive than ever before, whether you're a seasoned developer or a homeowner.
- Passing a Small Area Implementation Plan ordinance, which will incentivize development through increased flexibility and streamlined reviews for small-scale area developments.
- Passing a Reinvestment Focus Area ordinance, which will incentivize development through expanded design flexibility and expedited infrastructure investment in targeted Anchorage neighborhoods.
- Implementing an R-4A mixed-use zoning district amendment, which will make this urban zoning district more flexible

4 **REVITALIZE DOWNTOWN ANCHORAGE**

Downtown is the heart of our city and the neighborhood that belongs to all residents throughout the municipality. Investments in downtown Anchorage have a positive ripple effect across the entire community. A vibrant downtown generates revenue for businesses and the municipality, creates community cohesion, and attracts tourists and locals alike who want to experience rich economic and cultural experiences. This administration is working to:

- Support outdoor dining and other commercial activity through temporary road closures and right-of-way permits.
- Simplify permit application processes for those seeking to host and run outdoor projects and events this summer.
- Support efforts of downtown businesses and organizations to identify and create pedestrian-only thoroughfares on certain downtown streets.
- Assist arts, music, and other community events throughout the entire calendar year with an improved, streamlined permitting process for downtown events.
- Back efforts to overhaul signage and wayfinding within in downtown in a way that connects with Anchorage's indigenous culture.
- Re-evaluate current downtown incentives to identify potential improvements and other tools to further encourage additional downtown residential housing development and make Anchorage a safer, more vibrant 24-hour city.
- Partner with the Anchorage Museum, Anchorage Community Development Authority, and Anchorage Downtown Partnership to revitalize downtown with murals and façade improvements.

TACKLE PRESSING POLICY ISSUES IN A WAY THAT'S GOOD FOR THE COMMUNITY & THE ECONOMY

1 ADDRESS HOMELESSNESS

Addressing homelessness and its upstream causes is an investment in the safety and economic vibrancy of our community. Not only is addressing homelessness and helping people get back on their feet the right thing to do, but it is the economically prudent course of action. There is a greater cost—economically and societally—associated with doing nothing compared to helping people access services and housing.

Shelter: When COVID hit, shelter supply dropped just as demand increased. The municipality stepped in to set up an emergency shelter at the Sullivan Arena, helping to keep hundreds of people off the streets and greenbelts and out of the cold during the pandemic.

Move people out of shelter: The Municipality is standing up Intensive Case Management to help people at-risk of losing their housing stay housed and to rapidly rehouse people staying in shelters. Fewer people on the streets and in shelters is good for Anchorage and good for business.

New housing: Intensive Case Management will only be effective in moving people out of shelter if there are available housing units. The municipality of Anchorage continues to support new affordable housing and supportive housing through the Home for Good supportive housing program and working with partners to add additional units.

Public-private partnerships: The Municipality is working with private partners to bring new shelter and engagement services to the Anchorage community, including a partnership to improve the 3rd Avenue area for shelter users and local businesses.



2 INVEST IN CLIMATE SOLUTIONS

Alaska sits at the front door to the Arctic, and we're seeing the effects of climate change at a faster rate than any other state. To build a resilient community, we're making climate-aware investments and policies that are good for the environment and good for our economy. The Anchorage Climate Action Plan is our roadmap for addressing climate change and mitigating climate-related risks while reducing costs through actions such as:

- Launching the Commercial Property Assessed Clean Energy (C-PACE) Program, which allows a commercial building owner to take out a long-term loan through a private lender for a clean energy project and pay it back through a voluntary special assessment on their property tax bill.
- Installing 383 solar panels on municipal buildings to generate electricity, reduce emissions, and save the city money for years to come. The 9.3 kW project at Fire Station 10 saw a 16% reduction in electricity costs compared to the previous year, producing more energy than was used on-site 18 days in the summer of 2020.
- Upgrading over 12,000 street lights to LEDs, saving an estimated \$780,000 annually.
- Improving efficiency in buildings muni-wide. LED upgrades offer about a 40% electric savings.
- Investing in energy efficient vehicles, including our first electric garbage trucks and 20 new hybrid e electric vehicles at APD which are expected to use 45% less fuel per year.
- Increasing Solid Waste Services' compost capacity and collection by thirteen times since 2017 (47,500 pounds to 632,100 pounds).
- Designing a new Central Transfer Station that will increase recycling and waste diversion options, extending the life of the Anchorage Regional Landfill.



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